BUILDING PEACE IN SRI LANKA: AN ANALYSIS OF THE CONFLICT AND PLAN FOR INTERVENTION

David Lewis, Cassandra Jastrow, Christopher Jonas, Tim Kennedy, Saira Yamin[*]

Abstract

The paper analyses the conflict between the Sri Lankan government and the Liberation Tigers of Tamil Eelam (LTTE) and also presents recommendations for intervention. The paper is structured on the Sandole-Cunningham-adapted 4-Pillar approach and covers analysis of the conflict as well as consideration and construction of useful modes for intervention and resolution. The paper begins with an analysis of the conflict itself—the main parties, the issues, objectives, means used, and orientations towards conflict and conflict resolution, as well as conflict and conflict resolution environments. A theoretical analysis of the conflict is also included with application of concepts, such as Basic Human Needs, Realistic Conflict and Social Identity Theory, Relative Deprivation, and Enemy System Dynamics. The historical roots of the conflict are explored in their social, political, religious and economic dimensions. An examination of the conflict process or conflict dynamics follows, including start-up conditions, conflict initiation, and periods of escalation and de-escalation. The paper also discusses interventions and attempts at resolution over the years. The final section of the paper contains proposals for peaceful resolution.

INTRODUCTION

*T*he island of Sri Lanka gained its independence from Britain on February 4, 1948 in accordance with the Ceylon Independence Act of 1947.[1] As with many nations gaining freedom from colonial rule

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[*] Major David Lewis, United States Air Force, Master's Candidate in Peace Keeping, George Mason's School of Public Policy; Cassandra Jastrow, Master's candidate, Peace Operations Policy, George Mason University; Christopher Jonas, graduate in Peace Operations Policy Programme, George Mason University, currently working with the United States Institute of Peace; Tim Kennedy, Master's candidate , Conflict Analysis and Resolution, George Mason University; Saira Yamin, doctoral candidate, Institute for Conflict Analysis and Resolution, George Mason University, Virginia, and Lecturer at the Department of Defence and Strategic Studies, Quaid-i-Azam University, Islamabad.

[1] Russell R Ross and Andrea Matles Savada, eds., *Sri Lanka: A Country Study* (Washington, DC, Library of Congress, 1988),
http://countrystudies.us/sri-lanka/22.htm (accessed June 29, 2007).

in the 20th century, "signals of the coming storm began to appear shortly after independence and recurred with increasing urgency until it finally broke with the events of July 1983".[2] Ever since, a vicious civil war waged by the Liberation Tigers of the Tamil Eelam (LTTE) has been going on against the Sinhalese Sri Lankans who control the government.[3] The armed confrontation has lasted over two and a half decades, taken the lives of over 70,000 people, and displaced millions more.

This paper analyzes the conflict between the Sri Lankan government and the LTTE and also presents recommendations for intervention. The paper is structured utilizing a comprehensive 4-Pillar approach adapted from Sandole by Cunningham that enables both analysis of the conflict, as well as consideration and construction of useful modes for intervention or resolution.[4] The Four Pillar Framework enables practical examination of the root causes, issues, drivers, conflict dynamics and the local, regional, and

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[2] William Clarance, "Conflict and Community in Sri Lanka," *History Today* 52, no.7 (2002): 44.

[3] S.K Hennayake, "The Peace Accord and the Tamils in Sri Lanka," *Asian Survey* 29, no. 4 (1989):401-415.

[4] D.J.D Sandole, "A Comprehensive Mapping of Conflict and Conflict Resolution: A Three Pillar Approach," *Peace and Conflict Studies* 5, no.2 (1998):1-30; William G. Cunningham, *Terrorism and Conflict Resolution*, (PhD diss., George Mason University: Institute for Conflict Analysis and Resolution, VA, 2006).

global context of the conflict. A brief introduction to the model follows.

Pillar 1: Elements of the Conflict - the Parties, Issues, Objectives, Means, Resources

The first pillar is designated for the identification of the parties in a conflict. Identification and classification of the parties is an extremely important exercise as it provides an understanding of who the primary stakeholders and key players are. Additionally, we learn as to who is at the helm of affairs and is capable of taking decisions. We are also able to recognize potential spoilers and the extent of their political clout, with regard to their representation in a participatory problem-solving/decision-making process. Identifying the parties helps us also to observe factions within parties and their relative balance of power and hierarchical structures. Further, we are able to distinguish between primary and secondary parties. Secondary parties are those that may not have a direct stake in the outcome, but have underlying interests, owing to which they have played some form of covert or overt role in shaping the course of the conflict. This process also guides us in understanding and distinguishing between the internal and external actors engaged in the dispute. The personalities of decision makers in each party offer invaluable insights into their behaviour and attitudes towards the antagonists and prospects for conflict resolution.

Understanding the issues such as the basic human needs, material interests and ideologies, of the parties also falls under Pillar 1. This step helps us to separate the parties' positions from their underlying interests, for any meaningful third-party intervention and problem-solving process. We may be able to observe how the issues may have evolved with the passage of time, whether there are any common grounds between the parties, and if there is likely to be some flexibility on the part of the adversaries in some areas. It would be helpful to prioritize the issues for all parties in order to have some point of departure for launching a peace-building initiative. It is pertinent to identify the issues at stake, so that an effective strategy can be designed for lasting peace.

Pillar 1 also recommends that we consider the objectives and goals of the parties. Finally, one must examine the means available to the parties and the tactics they employ in their conflict behaviour which has implications on the course of the conflict. Pillar 1 also considers:

- the parties' orientation to the conflict and conflict resolution mechanisms; and
- the environment in which they are interacting.

Pillar 2: Conflict Causes and Conditions or "Drivers"

These are the conflict causes, conditions, and drivers of the conflict at the individual, intra-national/societal, international, and global/ecological levels and shall be explained at length with reference to the case study subsequently in the paper.

Pillar 3: Mapping the History of Conflict Interventions and Designing an Intervention Plan

Mapping entails a comprehensive evaluation of past interventions and designing a sustainable peace plan; the 3rd party's range of potential conflict intervention objectives; as well as means for achieving any or some interrelated sequence of those objectives. The goal of a viable conflict resolution design would entail a vision for positive peace, that is, the creation of conditions whereby the structure promotes a harmonious and equitable co-existence for all stakeholders and addresses the root causes of the conflict. This would include a continuum of strategies, including preventive diplomacy/conflict prevention, conflict management/peacekeeping, conflict settlement/coercive peacemaking, conflict resolution/non-coercive peacemaking, and, finally, conflict transformation and peace building.

Pillar 4: Conflict Dynamics – Initiation and Trends in Escalation, De-escalation and Resolution

Cunningham has modified Sandole's three pillar model of conflict analysis to analyze terrorism and counterterrorism intervention. This paper emulates Cunningham's model to analyze the "Conflict Dynamics" in Sri Lanka. The authors believe that examination of Pillar 4 should ideally fall before Pillar 3, as it offers insights that are relevant to designing a conflict resolution intervention plan.

The paper begins with an analysis of the conflict itself— (Pillar 1) the main parties, the issues, objectives, means used, and orientations towards conflict and conflict resolution, followed by Pillar 2 which is the conflict and conflict resolution environments. Theoretical analysis of the conflict is included with application of concepts such as Basic Human Needs, Realistic Conflict and Social Identity Theory, Relative Deprivation, and Enemy System Dynamics. Historical roots of the conflict—social, political, religious and economic are explored at various levels. Pillar 4 is placed prior to Pillar 3, and includes an examination of the conflict process, or conflict dynamics, including start-up conditions, conflict initiation, and periods of escalation and de-escalation. Having looked at all of the above, the paper finally maps interventions and attempts at resolution over the years. The final section of

the paper contains proposals for peaceful resolution.

PILLAR 1: ELEMENTS OF THE CONFLICT

Pillar 1 provides a broad overview of the conflict — its parties, issues, objectives, means or tactics, as well as a sense of the orientation towards conflict and conflict resolution, and the general conflict and conflict resolution environment. Certain elements introduced in Pillar 1, will be explored in further detail under various other sections of the paper.

Parties

All conflicts require participants. Understanding who these parties are is fundamental to understanding the conflict.[5] This section dissects the Sri Lankan War and discusses the major actors: the Ceylon Tamils who form the LTTE and the Sinhalese-Buddhists who represent the majority population on the island of Sri Lanka and dominate the government; and two influential external participants, India and Norway.[6]

Ceylon Tamils and the Liberation Tigers of the Tamil Eelam

The LTTE was founded in 1972 by 18-year old Vellupillai Prabhakaran.[7] Fundamentally, the organization was established to secure a homeland, or *Eelam*, for the Tamil people concentrated largely around the North and East parts of the island (refer to Figure 1). Initially, the LTTE was one of many, at least 36 organizations whose focus was on achieving a Tamil sanctuary on the island of Sri Lanka.[8] Most Ceylon Tamils are Śaivite Hindus who draw deep cultural and ethnic distinctions between themselves and the remaining 95 per cent of Sri Lanka's population.[9] However, militancy and extremism ultimately alienated the LTTE from most of the other Tamil independence

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[5] Sandole, "A Comprehensive Mapping of Conflict and Conflict Resolution".

[6] See S.K. Hennayake, "The Peace Accord and the Tamils in Sri Lanka," *Asian Survey 29,* no. 4 (1989) and B. Pfaffenberger, "The Cultural Dimension of Tamil Separatism in Sri Lanka," *Asian Survey* 21, no.11 (1981):114-115.

[7] R.N. Kearney, "Ethnic Conflict and the Tamil Separatist Movement in Sri Lanka," *Asian Survey* 25, no.9 (1985): 905.

[8] M. R. Singer, "Sri Lanka's Tamil-Sinhalese Ethnic Conflict: Alternative Solutions," *Asian Survey* 32, no.8 (1992):174.

[9] See B. Pfaffenberger, "The Cultural Dimension of Tamil Separatism in Sri Lanka"; Central Intelligence Agency (CIA), *The CIA World Fact Book: Sri Lanka*, 2007, https://www.cia.gov/library/publications/the-world-factbook/geos/ce.html (accessed June 30, 2007).

organizations.[10]
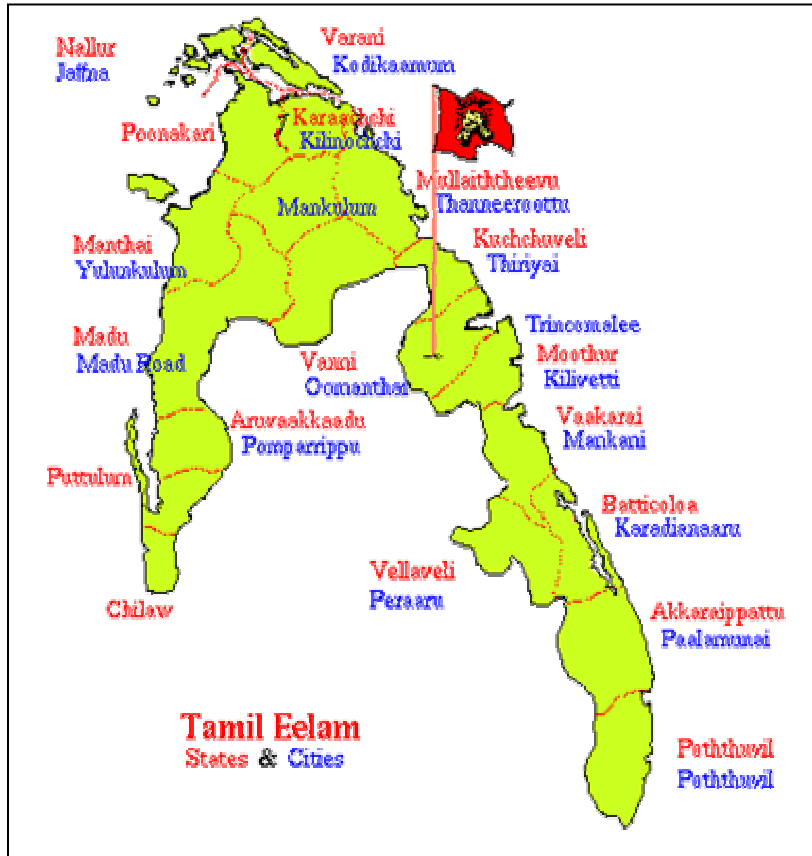
Figure 1. Tamil Homeland
Source: Tamil Nation.Org

"In 1972 the Federal Party, the Tamil Congress, and other organizations and individuals banded together to form the Tamil United Front".[11] Kearney writes it was renamed the Tamil United Liberation Front (TULF) in 1976 and soon thereafter "issued a clear public demand for a separate Tamil state to be called Eelam".[12] During the 1970s, intolerance fed violence and destruction in several series of race riots between the Sinhalese Sri Lankan and Ceylon Tamils[13] a large factor in LTTE's movement towards extremism was the dissolution of the TULF in 1983 by Sri Lanka's 6th Constitutional Amendment, which made all separatist actions

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[10] Singer, "Sri Lanka's Tamil-Sinhalese Ethnic Conflict".
[11] Kearney, "Ethnic Conflict and the Tamil Separatist Movement in SriLanka," 905.
[12] Ibid.
[13] Ibid., 906.

unconstitutional.[14]

Prabhakaran still leads the LTTE. With approximately 10,000 members, the group employs guerilla and terrorist attacks resulting in thousands of deaths and hundreds of thousands of refugees and Internally Displaced People (IDP).[15] According to BBC News, "The LTTE's power base remains (the) economically deprived --- Tamil agricultural workers whose families lost their livelihood due to economic reforms in the late 1970s, as well as unemployed urban Tamil youth who faced economic and social discrimination".[16] New recruits "are given a rigorous military training and ideological makeover" and funneled into the organization, structured similarly to a traditional state's military.[17] Examples of the LTTE's broad military organizational reach are:

- The Flying Tigers - a ten aircraft air force is used for bombing missions in cities;
- The Sea Tigers - a ten vessel marine fleet used to ship arms and other supplies into the country from overseas;
- The Black Tigers - a special unit integrated amongst the others used for suicide bombing missions;
- Divisions amongst its ground fleet including a division for women fighters.[18]

The LTTE organization reaches across the island's shores as it receives funding from expatriates worldwide. Two major cities critical to the fund-raising efforts are London and Paris. Most of the LTTE's weaponry is contraband from the former Soviet Union.[19] The Tamil Tigers are also known to practise the exploitation of children using them as soldiers to advance their separatist cause.[20]

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[14] Hennayake, "The Peace Accord and the Tamils in Sri Lanka," 402.

[15] "A war strange as fiction," *Economist,* June 9, 2000, 24.

[16] "Tamil Tigers: A fearsome force," *BBC News*, 2000 ,
http://news.bbc.co.uk/2/hi/south_asia/526407.stm (accessed June 18, 2007)

[17] *BBC News*, 2000; *Economist*, 2007.

[18] See *Economist*, 2007; Sachi Sri Kantha, "Homage to the Black Tigers: A review of Sooriya Puthalvargal 2003 memorial souvenir," June 22, 2004,
http://www.tamilnation.org/forum/sachisrikantha/blacktigers2.htm (accessed June 30, 2007).

[19] *BBC News*, 2000.

[20] Daya Somasundaram, "Child soldiers: understanding the context (Education and Debate)," *British Medical Journal* 324, no. 7348 (2002): 1268-1272.

Sinhalese-Buddhists, the Sri Lankan Government

The Sinhalese Buddhists on the island of Sri Lanka represent the vast majority of the ethnicities, as approximately 70 per cent of residents classify themselves as such according to the 2001 census.[21] Support by the population divides between two extremely competitive political parties, the United National Party (UNP) and the Sri Lanka Freedom Party (SLFP).[22] On November 19, 2005, Mahinda Rajapaksa was elected from the SLFP in a highly competitive race against his opponent from the UNP as the 5th president of Sri Lanka.[23] Singer notes, in a period of ethnic turmoil, when two major ethnic parties compete for the allegiance of the same ethnic group, any concession by the party in power will be seized upon by the party out of power as a sign of weakness, and again, of "selling out our people".[24]

According to Hennayake, "The Sinhalese believe that Sri Lanka is largely a Sinhalese-Buddhist country and all other religious or language groups are alien".[25] Sinhalese politicians and Buddhist monks propagate this exclusive feeling through their interpretations of the *Mahavamsa*, a thirteen-hundred years old chronicle of the history of Sri Lanka since the "time of the North Indian colonisation in the fifth century BC".[26]

External Influential State Actors

As years of war have raged in Sri Lanka, its northern neighbour, India, has played an interesting role. As the major power in South Asia, it must not enable a neighbour immediately at its border to become an aggressive and opposing entity.[27] However, India, itself is a country made up of many different ethnicities which cannot be shown examples of successful separatist movements.[28] Also, in the 1960s, India did have to deal with a Tamil separatist movement of its own in the southern- most point of the state, the Tamil Nadu. As Hennayake further explains:

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[21] *CIA*, 2007.

[22] Singer, "Sri Lanka's Tamil-Sinhalese Ethnic Conflict".

[23] Mahinda Rajapaksa, "Mahinda Rajapaksa: A man of the masses," http://www.mahindarajapaksa.com/about.php (accessed June 30, 2007).

[24] Singer, "Sri Lanka's Tamil-Sinhalese Ethnic Conflict," 14.

[25] Hennayake, "The Peace Accord and the Tamils in Sri Lanka,"

[26] W. Clarance, "Conflict and Community in Sri Lanka," *History Today* 52, no.7 (2002): 41-47.

[27] Hennayake, "The Peace Accord and the Tamils in Sri Lanka," 406.

[28] Ibid.

> From the Indian point of view, twin objectives must be achieved
> – a change in Sri Lanka's foreign policy so that it will be
> compatible with India's while keeping the Tamil separatists
> somewhere short of achieving their goals – either to act as a
> mediator or intervene militarily.[29]

With such a slippery slope to navigate through, India's intervention has left both the Sinhalese and Tamil's unsatisfied. When the Indian peacekeeping forces withdrew in 1990, "at least a thousand Indian soldiers had been killed and thousands more injured".[30]   The ultimate manifestation perhaps of Tamil dissatisfaction with India's role was the 1991 assassination of the Indian Prime Minister, Rajiv Gandhi.[31]

Norway is another external actor in the Sri Lankan war. It has set up the Sri Lankan Monitoring Mission (SLMM), comprising Nordic countries by charter. Currently, Norway and Iceland provide monitors, who are headquartered in Colombo, maintain six district offices throughout the country, and a Liaison Office in Killinochchi.[32] The Ceasefire agreement signed by the Government of the Democratic Socialist Republic of Sri Lanka (GOSL) and the LTTE on February 22, 2002 serves as the mandate for the mission and designates the government of Norway as the determinant for ultimate leadership appointments. Norway was chosen to lead the effort for the following reasons: political and economic neutrality in the region; their role was accepted by all parties; long-standing role of cooperation with the island of Sri Lanka; a history of good communication and confidentiality with all parties; and an outstanding reputation of peace and peacemaking worldwide.[33] Essentially, under the Norwegian guidance, the SLMM serves as an arbitrator and mediator between both sides, the GOSL and LTTE. [34]

Issues

The issues causing chaos in Sri Lanka are structural; that is to say they call into question whole systems. The issues on both sides, from the Sinhalese and

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[29] Ibid., 407.

[30] Singer, "Sri Lanka's Tamil-Sinhalese Ethnic Conflict," 716.

[31] Carin Zissis, "Backgrounder: The Sri Lankan Conflict,*" Backgrounder,* September 11, 2006,   http://www.cfr.org/publication/11407/sri_lankan_conflict.html   (accessed June 15, 2007).

[32] Sri Lankan Monitoring Mission (SLMM), Sri Lankan Monitoring Mission: Background, 2007, http://www.slmm.info/ (accessed June 30, 2007).

[33] Secretariat for Coordinating the Peace Process (SCOPP), The Royal Norwegian Government, 2007,
http://www.peaceinsrilanka.org/peace2005/Insidepage/printV/Partners/RNG.htm (accessed June 30, 2007).

[34] SLMM, 2007.

Tamil perspectives, are culturally and ethnically ingrained and run deep roots in both parties. Both sides are concerned with cultural identity, economic and language issues, discrimination, and personal freedoms.[35] All these concerns have been the focus of Sri Lankan violence since Britain gave up its colonial interests in the region on February 4, 1948.[36] Clarance also argues that while the issues stated above are indeed currently embedded in the Sinhalese/Tamil dispute, they are actually non-issues, largely on the basis that neither the classics of Tamil literature of two millennia, nor their folk traditions reflect a fundamental hostility between the two communities, and that there was an almost uninterrupted friendly co-existence between the Sinhalese and Tamil population over the centuries. Clarance continues by stating that the last 50-plus years of violence on the island is the result of a political construct emanating from a selective reading of the *Mahavamsa.*

Objectives

The Sinhalese and Tamil Tigers have two opposing objectives. From a theoretical perspective, they are status quo maintaining and status quo changing, respectively. This has not always been the case. At the beginning of the Tamil movement, immediately following Sri Lankan independence, the Tamil goal was of a federalist inclusion of Tamil interests into the largely, pro-Sinhalese government. However, as time passed, the LTTE became the preeminent body representing fringe Tamil interests and employing extreme tactics to achieve them. [37] This transition, largely occurring during the 1970s, saw the shift from federalist inclusion to separatism, or from status-quo maintaining to status-quo changing.[38]

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[35] See Hennayake, "The Peace Accord and the Tamils in Sri Lanka,"; *Economist*, 2007.
[36] Clarance, "Conflict and Community in Sri Lanka," 41-42.
[37] Singer, "Sri Lanka's Tamil-Sinhalese Ethnic Conflict".
[38] Kearney, "Ethnic Conflict and the Tamil Separatist Movement in Sri Lanka," 903.

The Ethnic Breakdown of Sri Lanka.[39]

Figure 2: Sri Lankan Ethnic Population (2001 Census, Data from CIA, 2007)

Legend: Sinhalese, Sri Lankan Moores, Indian Tamil, Sri Lankan Tamil, Other, Unspecified
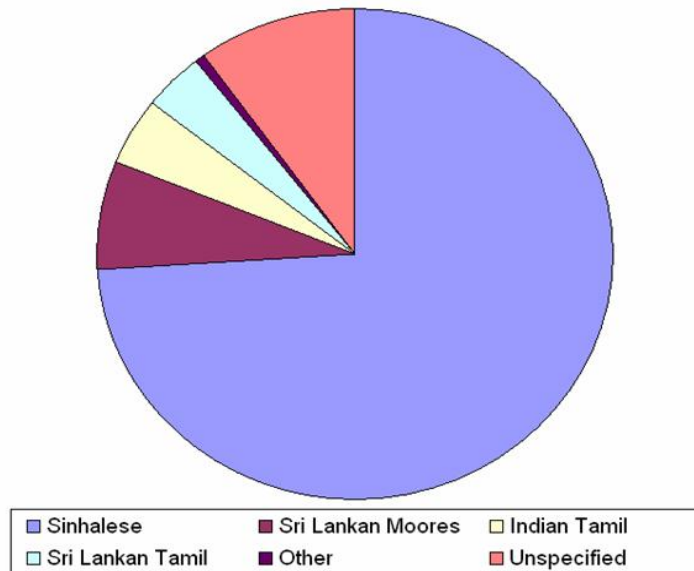
Means

The Sri Lankan government's stated policy - "War for Peace"- very much captures the essence of the means or tactics associated with this conflict. This conflict has been marked by the ongoing use of extremely high levels of contentious, strategic violence, by both primary parties — the LTTE and the government. Bloom cites the LTTE's use of "conventional guerrilla tactics, terror against civilians, assassination of political leaders, assassination of local Tamil (non-LTTE) leaders, bombing of symbolic and military targets, and almost anything that could help impress its supporters and antagonists".[40] The LTTE has essentially pioneered the use of suicide terrorism, particularly the use of suicide belts. Robert Pape notes that from 1987 to 2001 the LTTE carried out more suicide attacks than any other terrorist organization in the world. In terms of means, the Sri Lankan government has itself in turn made ongoing use of broad-based, indiscriminate "scorched earth" tactics that alienate the Tamil community, further polarizing the two groups and

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[39] Figure 2: Ethnic Breakdown of Sri Lanka: Sinhalese 73.8%, Sri Lankan Moors 7.2%, Indian Tamil 4.6%, Sri Lankan Tamil 3.9%, other 0.5%, unspecified 10% (2001 census provisional data).

[40] Mia Bloom, "Ethnic Conflict, State Terror, and Suicide Bombing in Sri Lanka," *Civil Wars* 6, no.1 (2003*):45-75; Mia Bloom*, *Dying To Kill* (New York: Columbia University Press, 2005), 55.

contributing to the cycle of tit-for-tat, escalatory violent conflict. [41]

As is frequently the case with complex conflicts, in this conflict, means are dynamic, shifting over time in response to various circumstances. The conflict began nonviolently, with attempts to engage nonviolently, particularly, within the political arena. Early Tamil efforts to respond politically to changes in government policies were ineffective, ignored, discouraged, and even finally banned, thereby severely retarding the potential for peaceful challenge or response. Protests and demonstrations led to riots, and the LTTE rose to prominence as its extremist approach began to hold greater appeal in the face of government clamp-downs and persistent political and civil stifling. The evolution of tactics is further explored in this paper under Pillar 4, (Conflict Escalation).

The extremely violent and contentious nature of this conflict contrasts in some respects to relatively lower levels of violence in other separatist conflicts, for example, ETA in Spain, and the IRA in Northern Ireland, and may reflect several factors, including, possibly, the broad range of issues at stake in Sri Lanka, as well as the difference in resource availability and access. A number of concepts, briefly outlined below, may also help shed further light on the presence and nature of the violent tactics utilized in this conflict.

As mentioned above, the failure or lack of political alternatives or perhaps even systems, as well as, by this point, (after several decades of conflict), lack of economic opportunity or alternatives, constrain access to viable, nonviolent alternative conflict and conflict resolution approaches. This feeds a sense of perceived feasibility, the belief on both sides that violent tactics can shorten the process or suffering, and serve to remove obstacles to ultimate peace or security. Both parties also share a strong emphasis on their own group self-interest, combined with an acknowledged lack of concern for each others' interests. Pruitt and Kim's Dual Concern Model demonstrates how high self concern and low "other" concern correlates with contentious tactics.[42]

Additionally, the LTTE describes itself in secular terms, not religious. Interests pursued are not overtly associated with religious or spiritual afterlife or compensation. Pape argues, however, that the LTTE's terrorist tactics have roots that are at least partially derived from or related to Hindu religious traditional concepts, thereby, gaining a level of moral authority or justification for the use of violence not available to purely secular movements. Certainly, the Sri Lankan government's relationship with Buddhism also fits the same mould. Buddhist Sinhalese have long perceived state leaders as protectors of Buddhism, and thus tactics which appear to be ultimately in support of

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[41] R.A. Pape, *Dying to Win* (New York: Random House, 2005), 139.

[42] D.G Pruitt and S.H.Kim, ed., *Social Conflict: Escalation, Stalemate, and Settlement* 3rd ed (New York: McGraw-Hill, 2004), 43-47.

Buddhism gain moral credibility, at least among the Sinhalese. Pape also highlights the LTTE's fear of religious persecution as a potentially contributing factor to the heightened, ongoing levels of violence; the Tamil belief that government (Sinhalese) policies are really in support of Buddhist expansionary goals.[43] This security dilemma will be further discussed below.

Violent tactics such as suicide terrorism co-exist with some level of community support. The LTTE has been especially proactive, and successful, in efforts to link its goals and tactics with that of the Tamil common good, to maintain community support. This approach may be seen not only in terms of the creation of memorials and monuments, but also, possibly, in terms of target choices—primarily military or political targets, vs. civilian, reflecting community norms. This focus on the common good also feeds into a sense of community activism, which Pape argues plays a key role in individual motivation to engage in extremist tactics.[44]

Conflict and Conflict Resolution Orientations

As stated in Sandole's Three Pillar Model, means tend to reflect underlying worldviews concerning the conflict, and towards conflict resolution.[45] In terms specifically of conflict, the orientation focus here is on power—on the attainment of power to ensure the protection, or furtherance of group self-interests. Both sides may be described as competitive in orientation, a condition apparently tempered in more recent years by an accompanying sense of war weariness.

The roots of this orientation towards conflict appear to stem at least partially from earlier British colonial-era manipulation of the Tamil and Sinhalese groups, which led to polarization and fractures along ethnic (constructed or not), regional, cultural, religious, linguistic and class lines. The post-independence, pro-Sinhalese 1956 constitution, set the stage for an exclusive (vs. inclusive) framework of aggressive pursuit of self-interests, complete with a revolutionary approach to opposition.

As mentioned above, competing security dilemmas appear to play a significant role in terms of orientations towards this conflict. Both parties perceive themselves as defenders against aggressive opponents. The Sinhalese see themselves as guardians of Buddhism, in the mode of Ashoka, the legendary expansionist Buddhist king/warrior whereas the LTTE obviously view themselves as the ultimate liberators/guardians of Tamil rights.[46]

Even more fundamentally, in terms of conflict orientations, Pruitt and

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[43] Pape, *Dying to Win.*
[44] Ibid., 200.
[45] Sandole, "A Comprehensive Mapping of Conflict and Conflict Resolution".
[46] Bloom, "Ethnic Conflict, State Terror, and Suicide Bombing in Sri Lanka," 49.

Kim summarize and note that the very existence of two groups can seem to lead to conflict — the sense of us vs. them, in-group vs. out-group. Psychological processes such as the fundamental attribution error may also be seen at work in this particular conflict — a belief in others' flawed character, vs. lack of nuanced understanding or consideration about others' circumstances.[47]

The competitive nature of this conflict orientation reflects also the focus on very basic human needs — security, identity, and economic viability.[48] Additionally, in this case identities on both sides appear to incorporate elements of victimization, what Volkan refers to as chosen trauma, an orientation that can lead to conflict perpetuation.[49]

With respect to conflict resolution orientations, although this conflict is not primarily about religion, it certainly plays a strong role in the cultural development and value systems of either parties or groups. Buddhism and Hinduism (the two religions associated with the Sinhalese and the Tamils) both contain key values such as pluralism-broad connectivity or acceptance of other religions or beliefs, and certainly Buddhism is also known for values, such as nonviolence and compassion. In terms of both conflict and conflict resolution, Hinduism believes also that ignorance lies at least partially at the root of conflict — hence, an emphasis on increasing communication or knowledge would appear to be an important element in this particular case for the development of appropriately context-driven conflict resolution approaches. Such orientations are certainly potentially useful, if made salient or incorporated into resolution approaches.[50] Conflict resolution approaches will be further explored under Pillar 3.

In considering orientations towards conflict resolution, and potential approaches, one would need also to be aware of the LTTE's perception that militant revolutionary response is an appropriate form of conflict resolution, or transformation. This highlights the complexity of designing conflict resolution approaches — incorporating consideration of the appropriateness, need or capacity to shift frameworks beyond revolutionary responses to systemic conflict, as well as determining, how transformative conflict resolution approaches need to be, and how deeply they need to delve.

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[47] Pruitt and Kim, *Social Conflict*.

[48] John Burton, "Conflict Resolution as a Political Philosophy," in *Conflict resolution theory and practice* , ed., Dennis Sandole and Hugo van der Merwe (Manchester: Manchester University Press,1993), 55-64.

[49] V.D Volkan, *The Need to Have Enemies and Allies* (New York: Jason Aronson, 1988).

[50] M.Gopin, *Between Eden and Armageddon* (New York: Oxford University Press, 2000).

Conflict and Conflict Resolution Environment

In terms of conflict environment, this civil war/separatist movement exists outside the capacity of domestic mechanisms to handle and is, therefore, considered exogenous. At this point, as befitting a dynamic situation, the environment appears to be evolving, with parties not as reactive as in previous years. This (relatively) measured reactivity may be in part due to a developing sense of hurting stalemate — the sense that neither parties' tactics are effectively reaching goals. The conflict resolution environment may make use of several mechanisms, including emphasis or encouragement of this sense of hurting stalemate. Other conflict resolution mechanisms, either internal or external, may or should include increased salience, as mentioned above, of values such as nonviolence, compassion, pluralism, and knowledge-seeking that spring from associated religious or cultural value systems.

PILLAR 2: ROOTS OF CONFLICT

According to the literature on social movements, open political systems encourage participation and promote collaboration, as opposed to closed political systems that encourage dissension and promote challenges to state authority.[51] In order to understand the roots of the conflict in Sri Lanka, one must first acknowledge the closed nature of Sri Lanka's political system. The next step will be to focus on how state institutions such as the bureaucracy, police and defence forces, public education, the judicial system, and private establishments that gain their legitimacy from the state, have not only come to favour the Sinhalese but have largely excluded and marginalized the Tamil population. The purpose of this section will then be to examine the sources of the conflict from both a theoretical standpoint and an analysis of the social, political, religious, and economic factors that have contributed to the marginalization of the Tamils. We will begin with a look at how history and culture have played a role in shaping the respective ethnic divisions, thus, serving as the basis for the forthcoming theoretical analysis.

Historical Perspective

The overarching question of Pillar 2 from the Sandole model is how to account for the mobilization of Tamils, a group once stereotyped as "career-oriented, intellectual, and passive," according to DeVotta into one of the deadliest secessionist conflicts on the planet. It is equally important to reflect on the factors why the Sinhalese majority perceived an acute sense of threat to

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[51] Foweracker cited by N DeVotta, "Control Democracy, Institutional Decay, and the Quest for Eelam: Explaining Ethnic Conflict in Sri Lanka," *Pacific Affairs* 73, no.1 (2000): 5.

their identity in equitably co-existing with the minority community.[52] From a historical perspective, the first step in tracing the roots of this conflict must take into account the ancient history of the populations and subsequent ties to the land, and how these claims of territorial origin might have contributed to the current ethnic divisions. According to DeVotta, although the historical record remains largely speculative, it is factual that both the Sinhalese and the Tamils are of Indian provenance. The dates of settlement, however, are prone to folklore. Sinhalese claim to be of Aryan stock and to have settled in Sri Lanka between the 5th or 6th century B.C. The Dravidian Tamils were either already present or followed soon thereafter. What is factual is that the Portuguese landed in Sri Lanka in 1505 A.D. and observed that the Tamils inhabited primarily the northeast portion of the island, whereas the Sinhalese inhabited the rest of the country. Putting history aside for the moment, what is important for our analysis of the conflict is how the Buddhist clergy framed revisionist historical claims to subvert the population in favour of Sinhalese nationalism as evidenced by the following quote, "Current ethnic distinctions seem based on the mythical history created by 19th century Buddhist elites, who effectively weaved folklore and religion to claim a North Indian heritage and fashion nationalist ideology".[53] In this case, the use of historical revisionism becomes one of the many tools employed by the Sinhalese and the *sangha*, the Buddhist clergy elites, to marginalize the Tamil population.

The purpose of this next section will be to provide an overview of current demographics and look at the impact, the colonial experience had on fostering the growth of separatism. According to a 1981 census, Sinhalese comprised approximately 74 per cent of the population, whereas Tamils made up 13 per cent. Although Tamils were confined to the north and east of the island, the Tamils formed a majority in four districts in the north and one district in the east out of twenty-four total districts. Political rivalries surfaced as soon as Sri Lanka gained independence from Britain in 1948, such that each community fought to preserve its ethnic symbols and the growth of separatism began. Kearney notes, "the South Asian island nation of Sri Lanka can be described as a "plural society" – to use Furnivall's term of many decades ago, composed of clusters of solitary ethnic communities living in close proximity but remaining clearly differentiated by language, religion, and sense of unique historical experiences".[54]

The British "divide-and-rule" policy favoured the minority Tamils, thus, when Sri Lanka was granted independence, the majority Sinhalese took it upon themselves to reclaim their ethnic heritage and reassert their position as

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[52] Ibid ., 6.
[53] Ibid., 58.
[54] Kearney, "Ethnic Conflict and the Tamil Separatist Movement in Sri Lanka," 898.

the majority. In terms of threats to both communities, the Tamils felt threatened by the Sinhalese majority, whereas the Sinhalese felt threatened by the large numbers of Tamil-speaking Hindus throughout South India, also known as Dravidastan. According to one Sinhalese politician in comments he made to the House of Commons, "we are carrying on a struggle for our national existence against the Dravidastan majority".[55] Such claims, coupled with the nationalistic fervour engendered by the *sangha* and the lingering effects of colonial subjugation, helped usher in a wave of discriminatory policies that would contribute to Tamil marginalization and relegation to second-class citizens.

Societal Level – (Social, Political, Religious, and Economic Factors)

From a societal level, the roots of the current conflict can be understood in terms of how Sri Lanka's post-independence policies on government, language, education, employment, resource allocation, as well as the impact of religion and colonization served towards marginalizing and alienating the Tamil population. It should also be noted how these policies contributed to a major institutional breakdown, particularly following the 1983 riots, and served to fuel Tamil mobilization. With respect to government, the *sangha* and the Sinhalese nationalists took control following independence as the newly formed democracy favoured the Sinhalese majority. After years of having their language, religion, and culture marginalized, mainly through Britain's "divide-and-rule" policy, the Sinhalese enacted a number of policies designed to reassert themselves as the dominant group. Policies were soon enacted to restrict the Tamil language, educational and employment opportunities, as well as resource allocation. In addition, electoral politics was used to dictate state policies, serving to further marginalize the Tamils. Viewing independence as a way for Buddhism, the Sinhala language, and culture to be restored, the newly formed Sinhala-dominated government created the Sinhala Only Bill right after independence to ensure Sinhala was the only official language. According to DeVotta, the "Sinhalese quest to make Sinhala the country's only official language was the genesis of post-independence ethnic polarization".[56]

Evidence that education is taken very seriously in Sri Lanka, can be found in its 90 per cent literacy rate.[57] In addition to its economic advantages, it is viewed as the vehicle through which upward social mobility is possible. Prior to independence, Tamils were able to take full advantage of the educational sector, and concomitantly, enjoyed employment opportunities,

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[55] Ibid., 903.
[56] DeVotta, "Control Democracy, Institutional Decay, and the Quest for Eelam," 58.
[57] Ibid.

particularly within the government sector. Government careers were particularly attractive, especially for Tamils, given the scarce industry and agriculture in the north and the status and opportunity for social mobility such jobs provided. In the post-independence Sinhalese-led government, however, educational decisions regarding university placement were taken over by the government. Relative deprivation feelings set in among Tamils as decisions took on a discriminatory tone and were no longer based on merit. DeVotta suggests that Tamils suspected a Sinhalese conspiracy to restrict future possibilities for upward mobility. In addition, discriminatory procedures were put in place, regarding the allocation of resources to further marginalize Tamils. For example, state resources were disproportionately allocated in favour of Sinhalese and the government discontinued international development projects in Tamil areas.

In keeping with the larger framework, the Sinhalese viewed themselves as carrying on a struggle for national existence against the Tamils, and so, they enacted policies to resettle parts of its population in Tamil regions. Although Tamils viewed this policy as a way to weaken Tamil electorates and delegitimize their claims as a distinct geographic entity, the Sinhalese believed their claims to the ancestral homeland were justified. Aided by the impact of Buddhist religious views on Sinhalese consciousness as disseminated from the *sangha*, the Sinhalese perspective can be gleaned through the following propaganda, "Sihadipa and Dhammadipa," which means the island of the Sinhalese.[58]

Following independence, Sri Lanka had become a controlled democracy. In the post-1970 era, the Sinhalese established parliamentary majorities, ratifying two constitutions, in 1972 and 1978, without Tamil input or representation. Although the 1978 constitution made a provision including Tamil as an official language, the marginalization of the Tamils had reached its boiling point. Feelings of alienation and lack of confidence in their country's institutions ultimately led to mobilization.

Beginning in the 1970s, the movement for a separate Tamil state began to gain traction. In 1949, the Federal Party, the leading political party in the Tamil areas, advocated for a federal system of government and autonomy for Tamil regions but did not lay claim for an independent Tamil state. They did, however, make a claim of nationhood that stated the existence of a separate and distinct Tamil nation in Sri Lanka should be delimited by language, territorial homeland, and a sense of sharing a common history. This claim would be used as the basis for a separatist movement in future generations. In 1972, the Federal Party, the Tamil Congress, and other organizations formed the Tamil United Front, later to be named the Tamil United Liberation Front (TULF). This organization would make a clear

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[58] Ibid., 62.

demand for a separate Tamil state called Eelam. According to Kearney, the rationale behind such a demand was that it had "become inevitable to safeguard the very existence of the Tamil Nation in this country".[59]

Organizational/Group Level

At the organizational or group level, the big question, as referenced earlier, is how the Tamils came to mobilize. Having discussed the factors at the societal level that led to the marginalization of the Tamils leaves us in a better position to answer this question. The conceptual framework centers on the politicization of ethnic identities, Buddhist revivalism and Sinhalese nationalism, as well as heightened Tamil consciousness. Although the Tamil population first tried to mobilize through regional parties, they found themselves marginalized by the electoral process, and thus came to rely on the concept of Eelam, or statehood. Their lack of opportunity at the bureaucratic, commercial and educational spheres provided the impetus for various Tamil rebel groups to mobilize militarily in the late 1970s and early 1980s. The front runner of these groups, LTTE, overtook the moderate TULF and galvanized many young extremists and young Tamils through the concept of Eelam.

Two decisive factors in Tamil mobilization were the 1979 Prevention of Terrorism Act and the 1983 riots.[60] With respect to the former, the Sinhalese-dominated government created a policy giving security forces the power to arrest, imprison, or leave a prisoner incommunicado for up to 18 months without trial. It led to widespread torture and human rights abuses. As a result, the Sinhalese military came to be viewed as an occupying force and its violation of civil rights served to further alienate the Tamil population.

The 1983 riots have been characterized as a "watershed in Sinhalese-Tamil relations," because they contributed to a complete breakdown of the country's institutions. According to DeVotta, the Sinhalese felt the Tamil entrepreneurial class was becoming too prosperous in relation to the Sinhalese.[61] Driven by a sense of relative deprivation, the Sinhalese bourgeoisie were able to rally the Sinhalese proletariat to mobilize against the Tamils in the form of riots with the purpose of destroying Tamil infrastructure. It should be noted, the Sinhalese proletariat were aided and abetted by political and defence forces. For instance, one of the Sinhalese cabinet ministers led the riots by arranging for the transport of rioters in government vehicles. In addition, rioters were given electoral registration forms of Tamils to differentiate the specific targets. Security forces including the police and the military either aided the rioters or stood idly by and let it

[59] Kearney,"Ethnic Conflict and the Tamil Separatist Movement in Sri Lanka," 905.
[60] De Votta, "Control Democracy, Institutional Decay, and the Quest for Eelam".
[61] Ibid., 63-4.

happen. This singular event marked the complete breakdown of civil society and ushered in a new era for Tamil resistance characterized by DeVotta as a "shift from the struggle for equality to an assertion of freedom."[62]

Meanwhile, those responsible for the major sources of institutional breakdown were the political elites, Buddhist clergy, Sinhalese Buddhist organizations, and Sinhalese Buddhist nationalists. While the *sangha* and Sinhalese nationalist scholars employed forms of revisionist history, the Buddhist clergy positioned themselves as protectors of Buddhism and the island of Sri Lanka. Propaganda, such as "Buddhism Betrayed" and "Sri Lanka for the Sinhalese," were used to justify their "ideas" being incorporated into institutional constructs. These influences permeated through civil society into both state and private institutions, as well as the judicial system, the defence forces, and the private organizations. The impact of this pro-Sinhalese/pro-Buddhist mentality on Tamil mobilization, will be examined from both micro and macro level theories of conflict resolution, later on in the paper.

International Level

With respect to the international level, although the conflict between the Tamils and Sinhalese is mainly an internal conflict, the role of India must be highlighted. According to Rao, India views itself as the "security manager of South Asia," thus, any ethnic tensions within parts of South Asia are a concern for India, especially Sri Lanka that is home to a Tamil population, being historically and culturally close to that of India's Tamil Nadu population. "Religion, language, ethnicity and, of course, a common colonial experience are the major forces that transcend the territorial boundaries of South Asian nations and strongly influence intra-regional relations".[63] In addition, Sri Lanka's geopolitical location, often referred to as the "fulcrum of the Indian Ocean," plays a role in India's interests in becoming involved. India's involvement in the conflict is analysed in greater detail under Pillar 4 (Conflict Dynamics: Escalation).

The purpose of the next section will be to apply both micro and macro level theories of conflict resolution to this conflict in an attempt to explain how and why the Tamils came to mobilize and use violence.

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[62] Ibid., 56.
[63] P.V Rao, "Ethnic Conflict in Sri Lanka: India's Role and Perception," *Asian Survey* 28, no.4 (1988): 419.

Basic Human Needs

John Burton posits that there are certain ontological human needs, such as security, identity, recognition, and autonomy, that are not negotiable, and the frustration of which can lead to overt conflict behaviour.[64] Burton's theory is a paradigm shift in that it challenges the traditional notion that individuals can be socialized into the requirements of institutions. Instead, he believes it is the responsibility of institutions to accommodate to certain inherent and universal human needs. By extension, ethnic conflicts, such as the one in Sri Lanka, represent symptoms of lack of recognition and autonomy. Regehr argues that, "Identity conflicts emerge with intensity when a community, in response to unmet basic needs for social and economic security, resolves to strengthen its collective influence and to struggle for political recognition".[65]

Pfaffenberger explores the basic human need of identity in great detail with respect to Tamil separatism. He argues that the separatist movement is driven by both concerns about Sinhalese repression and Tamil pride in preserving their cultural tradition. With respect to the former, he quotes, "it is clear that among Tamil youths are persons who believe there is no future for themselves, nor indeed for any Tamil-speaking person, among the Sinhalese".[66] The deeper issue, however, is the concept of identity, which is inextricably linked with the survival of Tamil tradition. Pfaffenberger quotes, "What Ceylon Tamils fear is not just the continuing decline of economic opportunities, but also the eventual extinction of their culture, which they regard as unique. Ceylon Tamils…see themselves as preserving… the very essence of Tamil civilization, and the separatist drive is fueled in part by the sense of responsibility that Ceylon Tamils feel to protect those ancient traditions".[67] The Basic Human Needs theory can be used as a segue into Realistic Conflict theory and Social Identity theory.

Realistic Conflict and Social Identity Theory

Campbell's perspective of Realistic Conflict Theory is that conflict can be explained by either tangible resources (water, oil, political goods, etc.) or intangible resources (power, honor, etc.) that are desired by both parties but are in short supply.[68] Tajfel and Turner take this one step further in their Social Identity theory by explaining why ethnocentrism is such a universal

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[64] Burton, "Conflict Resolution as a Political Philosophy".

[65] Cited in J.P Lederach, *Building Peace: Sustainable Reconciliation in Divided Societies* (Washington D.C: United States Institute of Peace Press, 997), 8.

[66] Pfaffenberger, "The Cultural Dimension of Tamil Separatism in Sri Lanka," 1147.

[67] Ibid., 1147.

[68] Cited in Pruitt and Kim, *Social Conflict*, 28-9.

human phenomenon.[69] Groups to which individuals belong become part of one's self-concept and self-identity. Thus there is a tendency to view one's own group in a positive light while discriminating against other groups. This tends to produce in-group bias where threats to the group become internalized as threats to the individual. Kearney examines how threats to the existence of the Tamil group and its symbols, i.e., language and religion, were perceived as threats to the individual. Devos notes individuals derived "a sense of personal survival in the historical continuity of the group".[70] "The strong passions associated with language and religion in Sri Lanka appears to be reflections of the need of many individuals to preserve and defend that part of personal identity that is derived from the social identity of the ethnic community". Thus, politics will become the area in which both the Tamils and Sinhalese will fight to preserve each other's ethnic symbols and traditions, and in the process, strengthen the sense of identity of each community.[71]

Relative Deprivation

According to Pruitt and Kim, conflict is a "perceived divergence of interest." Interests are feelings about what is basically desirable and represent the core of attitudes, goals, and intentions. They are distinct from universal human needs in that they can either be tangible or intangible. Moreover, interests usually become goals or aspirations, which represent the things individuals or groups strive for and believe are attainable. When expectations do not match achievements, a feeling or sense of relative deprivation, which is frustration attributed to a social situation that widens the gap between what people have and what they believe they deserve, can set in. In the case of the Tamils, the sense of relative deprivation might explain the gap between the need for a political voice and their actual representation, as well as the demand for equal rights and the discriminatory practices they were faced with. The need for recognition of culture, i.e. language, religion, and ethnic heritage, against the constitutional bills denying the Tamil language official recognition, and the need for security and access to resources might also have contributed to the sense of relative deprivation.

Enemy System Dynamics

The secessionist movement in Sri Lanka is characterized by two separate ethno-national groups that have developed thick boundaries as a result of a

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[69] Ibid.

[70] Cited in Kearney, "Ethnic Conflict and the Tamil Separatist Movement in Sri Lanka," 903.

[71] Ibid.

strong defence of ethnic identity. Enemy system dynamics such as victimization, historic enmity, and inter-generational transmission of hostility might help explain how this protracted social conflict has developed sharp divisions and a distinct polarization. Although the secessionist movement has been a relatively modern development, there is a long-standing history of animosity between the two ethnic groups that feeds into the deep-rooted fears and perception of enmity between the two. Perceptions, emotions, and subjective experiences might have contributed to enemy images which function to increase group cohesion and make the conflict seem as if it is a fight for survival. According to Lederach, "Cohesion and identity in contemporary conflict tend to form within increasingly narrower lines than those that encompass national citizenship. In situations of armed conflict, people seek *security* by identifying with something close to their experience and over which they have some control. In today's settings, that unit of identity may be clan, ethnicity, religion, or geographic/regional affiliation, or a mix of these."[72]

PILLAR 4: CONFLICT DYNAMICS[73]

The conflict in Sri Lanka is rooted in ethnic and cultural issues that extend back hundreds, if not thousands of years. It is both ethno-political and socio-political by nature. Stemming from this reality is a conflict dynamics which will be examined throughout this section of the paper. First, the various dynamics of the conflict will be delineated in terms of time, with start-up conditions, initiation, and instances of escalation being identified. A description of key events will be provided along with subsequent analysis of those events that have had a significant impact on the conflict.

Start-Up Conditions

The socio-political conditions that led to the initiation of violent conflict in Sri Lanka are as individually complex as they are numerous. While the relationship between Tamils and Sinhalese has traditionally been fairly tumultuous, the modern conflict, which has included previously unseen levels of violence, can be traced back to the year of Sri Lankan Independence, 1948. The British granted the island autonomous rule the year after it did the same

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[72] J.P Lederach, *Building Peace: Sustainable Reconciliation in Divided Societies* (Washington D.C. : United States Institute of Peace Press, 1997)

[73] Pillar 4 (Conflict Dynamics) of Cunningham's model precedes Pillar 3 (Conflict Intervention) in this paper. Readers may expect the logical sequence of the framework to be numerical as per the pillars; however, the authors believe conflict dynamics must be evaluated prior to examining past interventions and proposing a

with India. Given the geographic as well as ethno-cultural links between Sri Lanka and India, the British accelerated the Sri Lankan process in the aftermath of World War II to avoid being tied down or intertwined with emerging independence movements. However, as was the case in most post-Colonial environments, feelings of elation and national unity quickly spiraled into instability and panic, and ultimately split Sri Lankan politics into two separate nationalist movements.

A major complicating factor for Great Britain was that they had already manipulated the ethnic demographics of Sri Lanka by bringing Indian Tamils from the subcontinent to Sri Lanka in the mid-1800's in order to support the tea plantation industry.[74] After Independence, these families of Tamil plantation workers, or "Estate" Tamils, were immediately disenfranchised by the political system. Being looked upon as a lower class of people by the newly empowered government, they were denied voting rights and citizenship, even though most had been born on the island of Sri Lanka.[75] Add to this the fact that most Sinhalese felt that prior laws and customs under British rule had overly favoured the Tamil minority; the political situation after independence was ripe for ethnic conflict.

In a representative democracy like that of Sri Lanka's, majority-rule can be tantamount to political hegemony, dominance, and oppression if allegiances are divided along ethnic or religious lines. Since the Tamil people comprise roughly 8.5 per cent of the population (4.6 per cent Indian or "Estate" Tamil and 3.9 per cent Sri Lankan Tamil), frustration with the political process grew within this minority group, often feeling marginalized or destined to be eternally denied any substantial stake in legitimate power.[76]

In order to resist the calls for reform from Tamil politicians, Sinhalese nationalists began ushering in new policies to secure the permanence of Sinhala influence. Two major movements of Sinhalese nationalism occurred in Sri Lankan politics in 1956 and 1970. The first saw the introduction of the infamous Sinhala Only Bill (1956) on the island of Ceylon (later renamed Sri Lanka).[77] This had an adverse effect on Sinhala-Tamil relations resulting in

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peace plan.

[74] BBC News, *Country profile: Sri Lanka,* 2007,
http://news.bbc.co.uk/2/hi/south_asia/country_profiles/1168427.stm   (accessed June 18, 2007).

[75] Chris Slee, *Sri Lanka: Tamil plantation workers fight for rights,* 2003,
http://www.greenleft.org.au/2003/539/30229 (accessed June 15, 2007).

[76] See R.A Hudson, ed. , *Who becomes a Terrorist, and Why: The 1999 Government report on profiling terrorists* (Guilford: The Lyons Press, 1999), 105; *CIA* 2007.

[77] G.G Ponnambalam, "The Current Dynamics of the Tamil National Conflict in Sri Lanka," (Paper read at The International Conference on Tamil Nationhood and the Search for Peace in Sri Lanka, Carleton University, Ottawa, Ontario, Canada, May 21-22, 1999) http://www.tamilcanadian.com/page.php?cat=52&id=679 (accessed June17, 2007).

widespread protests and demonstrations. The law was subsequently nixed but a new version was later introduced along with a new constitution in 1970 under the then Prime Minister Sirimavo Bandaranaike, which placed the Sinhala language and Buddhist religion at the forefront of Sri Lankan society constitutionally.[78] Plantations were also nationalized and "Estate" Tamils were forcefully uprooted, creating further disenfranchisement of the already severely oppressed subpopulation.[79] This resulted in a resurgence of anti-Sinhala riots and protests, carried out by a new generation of disenchanted Tamil youths. Four areas of grievance were identified by Tamils during this time:

- Sinhala was made the official language.
- Discrimination in admission process for Tamil students to institutes of higher education because it was not done by merit.
- Discrimination in the filing of employment opportunities in the public sector.
- Objections to the "scheme" of state-aided colonization of traditionally Tamil areas with Sinhala people in order to change the political demographic complexion of the Tamil areas.[80]

In addition to these grievances, 1972 saw the introduction of a system of standardization which required Tamil students to obtain higher grades in order to achieve the same standing in the university system.[81] Ethnic violence ensued forcing more "Estate" Tamils out of their homes in the central highlands of Sri Lanka, seeking refuge in the northeastern, Sri Lankan Tamil-dominated areas.[82] This further inflamed anti-Sinhala sentiments amongst the Sri Lankan Tamil youth, essentially becoming the driving factor that influenced them to abandon Tamil political leadership and turn to militancy.

Conflict Initiation

In the wake of this government-sanctioned Sinhala nationalism, new political parties and social groups began to form amongst the Tamil youth in order to counter what was being perceived as oppressive policies and a forced return to political isolation. An amalgamation of these groups came about in 1972, and the larger network began calling itself the Tamil United Front (TUF). The alliance was primarily a way to consolidate power in Tamil areas in the north and the east of the country. It was effective in this respect but was not

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[78] Ibid.

[79] S. Makenthiran, "Plantation Tamils – The oppressed people of Sri Lanka," 2004, http://www.sangam.org/articles/view2/?uid=653 (accessed December 6, 2007).

[80] Ibid.

[81] Ibid.

[82] Ibid.

successful in uniting all Tamils under one set of policies or political goals. Upset by the lack of productive leadership, a group of youths stormed the Conference at Pannakam (a meeting of Tamil leaders) in 1976 and demanded a resolution for the setting up of a separate state of Tamil Eelam.[83]   Under threat of violence, the leaders obliged, and what would come to be known as the Tamil United Liberation Front (TULF) was established. This group would act as the main political wing for liberating "Tamil Eelam" but its initial failures and the outlawing of its existence by the Sri Lankan government quickly produced new avenues for this pursuit.

In the mid 1970's, the LTTE was formed with the intent of engaging the Sri Lankan government and its sympathizers through military operations, terrorism, or other violent actions. Its leader, Prabhakaran, rose to prominence after he assassinated the mayor of Jaffna, who had been a moderate, anti-secessionist.[84] With this initial act of violence, Prabhakaran's credibility increased dramatically amongst fellow radicals and gangs of youthful, anti-Sinhala activists. The daring assassination thus created an **ambiance** of ruthlessness amongst those taking up the Tamil cause; the bar was pushed higher and inspired activists could legitimately demand commitment and personal sacrifice from all potential cohorts. Of course, only the most radical Tamils joined the LTTE in its early years. But amid harsh government crackdowns and anti-Tamil riots between 1979 and 1983, the LTTE was able to broaden its political base and widen its support with resources and personnel. By 1983, the LTTE was a fully functioning, multi-operational terrorist organization with key political, religious and strategic allies.

Conflict Escalation

In 1983, the LTTE carried out its first organized attack against the Sri Lankan military. The ambush in the city of Jaffna killed thirteen Sri Lankan soldiers and sparked widespread anti-Tamil rioting across the country.[85] This marked the beginning of the first Civil War, or the "First Eelam War". During this time, India was unofficially involved in the conflict, providing training, weapons and sanctuary to LTTE fighters in the Tamil Nadu region.[86] The

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[83] Ponnambalam, "The Current Dynamics of the Tamil National Conflict in Sri Lanka".

[84] Hudson, *Who Becomes a Terrorist and Why,* 141.

[85] BBC News, *Timeline: Sri Lanka,* 2007, http://news.bbc.co.uk/2/hi/south_asia/country_profiles/1166237.stm   (accessed June 18, 2007).

[86] K Rupesinghe, "Review of Past Negotiations and Peace Processes: Lessons, Building Blocks and failures*,"* 2007, http://www.kumarrupesinghe.org/Article.aspx?ArticleID=115 (accessed June 17,

conflict became officially "internationalized" by 1987 when India, acting on regional security issues, attempted to broker a pact between Sri Lanka and the LTTE, which would allow for a federal system with limited Tamil autonomy in Sri Lanka for five years, and provided that the LTTE disarm.[87] India pledged a peacekeeping force to stabilize the north and east of the island and to carry out the disarmament procedures. Although, they initially showed some interest in the agreement, the LTTE never officially signed it and soon rejected it outright as being insufficient. Despite the absence of the LTTE, India and Sri Lanka ultimately tried to enforce compliance of the India-Sri Lanka Accord on the rebel group. The Indian Army soon found itself in open warfare with the LTTE, trying to secure the country. By 1990, amid strenuous fighting, the peacekeeping force became widely unpopular amongst both Tamil and Sinhala populations, in addition to the government of India headed by Rajiv Gandhi. India subsequently abandoned its commitment to the Accord under pressure from all parties.

As the first civil war entered its fourth year in early 1987, the LTTE began diversifying its tactics in an attempt to stretch its enemies' resources and security capabilities. On July 5, 1987 the LTTE carried out its first suicide attack when the immortalized "Captain Miller" drove a truck loaded with explosives into a military compound, killing forty soldiers.[88] This was the first of over 240 suicide attacks that took place before 2001.[89] The attacks were conducted by the "suicide wing" of the LTTE, known as the Black Tigers. These are volunteers who reportedly are granted a ceremonial dinner with the LTTE leader Prabhakaran before they carry out their final mission.[90] The proliferation of this group let the LTTE step up political assassinations during the 1990's killing three heads of state, Indian Prime Minister, Rajiv Gandhi (1991), Sri Lankan President, Ranasinghe Premadasa (1993), and former Prime Minister, Gamini Dissanayake (1994).[91] The assassination of Gandhi was particularly potent in raising international awareness of Tamil nationalism. At the same time, however, it proved to have an adverse effect on the LTTE's mission as it lost key political allies and was essentially forced to denounce the attack and eventually apologize for it in 2006.[92]

2007).

[87] Ibid.

[88] See Aljazeera, "Timeline of Sri Lanka's Civil War 2007,"
http://english.aljazeera.net/NR/exeres/98A544E4-A5AF-4E7B-95BC-
A5E03F84390A.htm (accessed June 18, 2007); Sri Kantha, "Homage to the Black Tigers".

[89] Sri Kantha, "Homage to the Black Tigers".

[90] Hudson, *Who Becomes A Terrorist And Why*, 142.

[91] Ibid., 135.

[92] "India refuses LTTE apology for killing Rajiv Ghandi," *People's Daily Online*, June 28, 2006, http://english.people.com.cn/200606/28/eng20060628_277935.html (accessed June 15, 2007).

In addition to tactics of suicide terrorism, the LTTE expanded into other areas of warfare. The Sea Tigers, the naval component of the LTTE, was established in 1984 to smuggle troops and equipment. They began combat operations against the Sri Lankan Navy in the 1990's and have sunk 29 gunboats and one freighter.[93] In addition to being the only terrorist organization able to tout naval capabilities, the LTTE is also now the only terrorist group with an air force. On 26 March 2007, the LTTE carried out its first air strike, dropping four bombs on the Sri Lankan Air Force base at Katunayake near Colombo.[94] The LTTE's Tamil Eelam Air Force (TAF) has apparently been in existence for over 10 years. While these tactics alone have not significantly escalated the conflict's intensity due to their relatively small capabilities, they have expanded the war onto new fronts, forcing the Sri Lankan government to react and having a significant psychological effect, if not military or economic.

Conflict as Process

There are several periods during the Sri Lankan conflict that can be identified as either "Controlled Maintenance" or "Stalemate." While the scope of the conflict has expanded and the conflict has escalated dramatically since the 1970s, there have been instances, where the level of violence has either subsided or was sustained consistently over a period of time. Beginning with the attack on the military compound in 1983, a period of controlled maintenance ensued with continuous attacks and counter-attacks by the separatist Tamil Tigers and the Sri Lanka government. This would come to be known as the "First Eelam War" as it is referred to by the LTTE and its supporters.[95] In 1987, a stalemate perpetuated for a short period of time, however, fighting soon restarted between the two belligerent parties. This was attributed to the failure of the India-Sri Lanka Peace Accord of 1987, paving the way for the "Second Eelam War" which lasted from 1990-1994.[96]

As presidential elections neared in 1994, violence began again to subside. The winning candidate, President Kumaratunga, pledged to solve the Tamil national problem and end the war during his campaign. This produced a tentative stoppage in fighting as peace talks resumed. When those talks

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[93] John C K Daly, "LTTE: Technologically innovative rebels," *Energy Publisher*, June 5, 2007, http://www.energypublisher.com/article.asp?id=9803 (accessed June 16, 2007).

[94] B. Raman, "LTTE's Air strike on Air Force Base- International Terrorism Monitor,*" Paper 209,* March 26, 2007, http://www.southasiaanalysis.org/%5Cpapers22%5Cpaper2182.html (accessed June 18, 2007).

[95] *BBC,* 2007.

[96] Ibid.

broke down another period of controlled maintenance, the "Third Eelam War," commenced and continued unabated with especially heavy fighting in the north and east of the country.[97] This lasted for more than six years until 2002, when the Norway-initiated peace talks produced a ceasefire that effectively reduced the number of attacks, at least during that year. Since 2004, frustrations have boiled over again and the civil war has resumed. The fighting that continues now is as fierce as ever, with 4,126 killed in 2006 and 3,655 killed in 2007 as of December 3, 2007 and well over 2000 killed by the writing of this report in 2008, in a renewed phase of conflict escalation. [98]

De-escalation

Movements or initiatives towards de-escalation are divided into two separate categories: positive peace and negative peace. Negative peace assumes that war or conflict has become absent; but the conditions, realities, and feelings that fed into the initiation of the conflict have not necessarily been transformed. Positive peace, on the other hand, requires a positive outcome to the conflict, where both sides have worked towards peace, often ending with mutual gains.[99] While the conflict in Sri Lanka is by no means de-escalating, there have been instances of de-escalation, sometimes with positive, yet more often with negative outcomes.

Abatement

Here "abatement" essentially means suppression of the conflict. No true instances of abatement have occurred in the Sri Lanka conflict. However, India's hasty withdrawal of 100,000 peacekeeping forces in 1990, classifies as an abandonment of one party to the conflict. In addition, the recent splintering of the LTTE, has reduced its capacity to engage in sustained conflict somewhat, although the command structure has remained intact. In reality, the conflict has been escalating consistently since 1976 with little room for abatement.

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[97] Ibid.

[98] See "Numbers game clouds Sri Lankan war," *BBC News,* http://news.bbc.co.uk/2/hi/south_asia/7307349.htm (accessed on May 12, 2008); "Fatalities Province-Wise 2007," *South Asia Terrorism Portal (SATP)*, http://www.satp.org/satporgtp/countries/shrilanka/database/FatilitiesDisticwise_2007.htm (accessed December 6, 2007).

[99] Sandole, "A Comprehensive Mapping of Conflict and Conflict Resolution".

Termination

Termination of the conflict has been the goal of both belligerent parties throughout the course of the war. Both sides have claimed small victories but neither has been close enough to victory to warrant the classification of being terminated. There are two types of conflict termination: unconditional surrender and negotiated.[100] Both the LTTE, through its campaign of terror, bombings and assassinations, and the Sri Lankan government through intimidating legislation and extreme counter-terror tactics, have attempted to impose unconditional surrender on the other. However, during certain periods of time, both parties have experimented with negotiated termination as well. A negotiated termination requires an end to the conflict that can be framed as a "win-win" outcome to appease those who have previously sacrificed for their particular cause.[101] Bilateral peace talks between the LTTE and the Sri Lankan government, have taken place seven times since the conflict initiated in 1984, 1989, 1991, 1994, 1997, 2005, and 2006. Concessions have been made by both sides during these talks yet neither side has come close to giving in on the crucial demand for autonomous rule of "Tamil Eelam." More often than not, the after effects of failed bilateral talks have pushed the conflict back towards escalation.

Resolution

Attempts to bring a resolution to the conflict in Sri Lanka are discussed in the subsequent section.

PILLAR 3: CONFLICT INTERVENTIONS

Throughout the nearly 25 years of fighting in Sri Lanka, numerous attempts have been made to broker peace through bilateral negotiations, third party mediations, and legal and legislative strides. In spite of repeated efforts, sustainable long-term peace has yet to be realized in this conflict. Pillar 3 outlines past attempts at peace and their ultimate courses to failure.

Bilateral Negotiations

All Parties Conference (1984)

In January 1984, an All Parties Conference was initiated by the UNP under the direction of President Jayewardene. All political parties were invited to participate in the discussions. Neither the UNP nor the TULF held an

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[100] Ibid.
[101] Ibid.

understanding of the other party's wants or needs upon entering peace negotiations. In December 1986, after approximately two years of discussion, the UNP presented the TULF and LTTE with a set of proposals for the creation of Provincial Councils.[102] The proposals were ultimately rejected by the LTTE, as the group felt their demands were not adequately addressed.

Premadasa-LTTE Talks (May 1989)

Discussions, headed by President Premadasa opened in May 1989. While the talks successfully united the LTTE and the Sri Lankan government in their joint quest to lobby for the withdrawal of Indian Peacekeeping Forces (IPKF), the opposing parties were unable to agree upon anything of substance throughout the course of two years of discussions.[103] Once the IPKF left Sri Lanka in March 1990, peace discussions again broke down. By June 1990, violence broke out, in what is commonly referred to as the Eelam War II.

Mangala Moonesinghe Parliamentary Select Committee (August 1991)

In August 1991, a parliamentary select 45-member committee was established to explore ways of achieving peace and political stability in Sri Lanka. The committee, chaired by the Sri Lankan Freedom Party's Member of Parliament, Mangala Moonesinghe, gained widespread support from minority parties and civic groups throughout Sri Lanka.[104] The Committee, however, failed to gain the support and participation of the PA and UNP parties as well as representation by the LTTE – all parties considered vital stakeholders in the conflict. In spite of minor strides made to rectify the situation in Sri Lanka, the committee ultimately failed to develop a viable peace agreement receiving unanimous rejection in its proposals to the LTTE.

People's Alliance Government Talks (October 1994)

The People's Alliance gained power in August 1994; by October 1994, the new government initiated talks with the LTTE. Following her inauguration as President, Chandrika Kumaratunga set forth unprecedented proposals for the devolution of powers to the regions. This move "represented the boldest attempt to redress the imbalance in the relationship between the different

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[102] Ajay Dharshan Behera, "The Politics of Violence and Development in South Asia," 1999, http://www.rcss.org/policy_studies/ps_6.html (accessed June 27, 2007).

[103] Rohan Edrisinha, "Trying times: constitutional attempts to resolve armed conflict in Sri Lanka", *Accord,* August, 1998, http://www.c-r.org/our-work/accord/sri-lanka/trying-times.php (accessed June 27, 2007).

[104] Ibid.

ethnic groups" since the outbreak of conflict.[105] Gaining unpopularity among the UNP, both proposals, presented by President Kumaratunga, were defeated by the Parliament. Subsequent to the rejection of the proposals, the peace process entered a period of stalemate. As a result of the failed negotiations, violence broke out again with the collapse of peace talks in April 1995.

Third Party Mediation

India-initiated Talks (1983)

In light of the outbreak of violence in 1983, India initiated a round of talks via shuttle diplomacy between Sri Lankan President Jayewardena and the separatist groups in the Northern and Eastern provinces, including the LTTE. Because the Sri Lankan government refused to enter into official negotiations at that time, the talks led to nothing beyond discussions between India and the two adversaries.[106] Subsequent to the failure of these discussions, India chose to expand its role in the conflict. This eventually set India on the course of deploying the IPKF and later becoming unpopular with the Sri Lankan government as well as the Tamil minority and the LTTE.

The Thimpu Talks (1985)

The Thimpu Talks commenced in June 1985, brokered by India among the Sri Lankan government and all Tamil liberation organizations, including TULF, the LTTE, the Eelam People's Revolutionary Liberation Front, the Tamil Eelam Liberation Organisation, and the Eelam Revolutionary Organisation. The Sri Lankan government presented draft legislation for the devolution of powers during this round of peace negotiations. Due to the proposal's striking similarity to language presented and rejected in 1984 discussions, the Tamil delegation was unwilling to negotiate changes to the proposed legislation.[107] The Tamil delegation underscored four goals the group hoped to achieve through the Thimpu negotiations: [108]

- Recognition of the Tamils of Ceylon as a nation;
- Recognition of the existence of an identified homeland for the Tamils in Ceylon;

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[105] Sukanya Podder, "Challenges to Peace Negotiations: The Sri Lankan Experience," *Strategic Analysis* (July-September 2006): 593.

[106]   Rupesinghe, "Review of Past Negotiations and Peace Processes".

[107]   Podder, "Challenges to Peace Negotiations," 581.

[108]   "*The Thimpu Declaration,*" Joint statement made by the Tamil Delegation on the concluding day of Phase 1 of the Thimpu talks, July 13, 1985, http://www.tamilnation.org/conflictresolution/tamileelam/85thimpu/thimpu10.htm

- Recognition of the right of self determination of the Tamil nation;
- Recognition of the right to citizenship and the fundamental rights of all Tamils in Ceylon.

Off based on the principles set forth by the Tamil delegation and the reluctance of either party to negotiate, the Thimpu talks failed like the earlier negotiations.

Fox Agreement Brokered by Britain (January 1997)

In April 1997, Great Britain brokered the Fox Agreement between the PA and UNP parties in Sri Lanka.[109] The agreement formally put into writing the standard that all parties entering official peace negotiations, including the Sri Lankan government and extremist groups, partook in such discussions with full intent to comply entirely with any agreements entered throughout the course of the negotiations. This basic agreement was included due in large part to violations of ceasefires and other agreements during the course of past negotiations. Ultimately, the Fox agreement failed when the PA and UNP, rival parties, were unable to find common ground during their negotiations with the LTTE. The internal turmoil within the Sri Lankan government and the two parties' electoral ambitions resulted in yet another stalemate in the peace process and the escalation of violence in Sri Lanka.

Norwegian-brokered Ceasefire Agreement (CFA) (February 2002)

The Norwegian-brokered Memorandum of Understanding (MoU) was signed by the Sri Lankan government and the LTTE in February 2002. The agreement marked the third official ceasefire entered into by the rivals throughout the course of the conflict. Norwegian-mediated peace negotiations between the government and LTTE rebels began in September 2002, continuing through April 2003. While the talks produced some acquiescence among the Tamil delegation, the LTTE abandoned negotiations after the sixth round of discussions while reaffirming its continued commitment to the ceasefire.[110] Accompanying the signing of the MoU was the creation of the Secretariat of Peace and the Sri Lankan government's agreement to lift the nationwide Tamil ban, also in 2002. The MoU serves as the basis for the presence of the SLMM observers in Sri Lanka. The international community's heightened interest in the conflict during a time when negotiations with "terrorists" was considered unthinkable, and a failure to produce substantive negotiations throughout the course of the six rounds

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[109] Behera, "The Politics of Violence and Development in South Asia," 1999.
[110] Podder, "Challenges to Peace Negotiations," 584.

of peace talks are often credited with the negotiations failure to broker any formidable agreements.[111]   In the years following the breakdown of talks, the 2004 tsunami disaster increased the divide between the Sri Lankan government and the LTTE with a dispute over the distribution of relief. Former President Kumaratunga created a widening between the LTTE and Sri Lankan government when original plans to coordinate relief programmes with the LTTE were criticized by Parliament causing the President to abandon such plans.[112] The Sri Lankan government and the LTTE finally did agree to Post-Tsunami Management structure (P-TOMs) for post-Tsunami reconstruction.[113]

European Peace Monitors Propose "Crisis Talks" (September 2006)

In late 2005, newly elected President Rajapakse announced plans to reopen talks with the LTTE. In February 2006, Norwegian-facilitated peace discussions were held in Geneva. Representatives from the Sri Lankan government and the LTTE both agreed to continue to uphold the terms of the 2002 MoU and to take strides not yet implemented in accordance with the ceasefire agreement. The LTTE suggested its willingness to explore a federal solution to the conflict that would include interim self-governance in the Northeast Provinces, during the third round of talks in Oslo.[114]   It soon became evident that neither side was willing to make concessions, and bargaining soon turned into rhetoric, seen in past peace discussions, ending with no new solutions in place. In the end, "neither side had any decision making authority or had the power to propose innovative suggestions when talks were breaking down".[115]

Constitutional/Legal Negotiations: Indo-Sri Lankan Accord (July 1987)

In light of LTTE threats to take hold of civil administration of the Tamil provinces, it led to another round of Indian-mediated peace negotiations between the government and the LTTE. The Indo-Sri Lankan Accord was signed as a result of these talks in July 1987. The Accord made way for the Provincial Councils to take shape and laid out plans for the deployment of the Indian Peacekeeping Forces in Sri Lanka. The LTTE refused to abide by the peace settlement and rejected the Accord due to its requirement of LTTE

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[111] Ibid.
[112] Rupesinghe, "Review of Past Negotiations and Peace Processes".
[113] For more on the Post-Tsunami reconstruction see Human Rights Overview, January 18, 2006,
      http://www.hrw.org/english/docs/2006/01/18/slanka12252.htm
[114] Rupesinghe, "Review of Past Negotiations and Peace Processes".
[115] Ibid.

disarmament and its rejection of an independent Tamil state. The IPKF and LTTE forces soon came to throws over the capture and suicide of seventeen LTTE militants.[116]

Drafting of Constitutional Revisions (January 1996)

In 1996, President Chandrika Kumandara was elected President with a sweeping majority from both the Buddhist majority and the Tamil minorities throughout Sri Lanka. Like so many of her predecessors, Kumandara's election platform was focused largely on achieving sustainable peace. Unlike any President before her, however, Kumandara expressed recognition of the injustices faced by the Tamil minority, expressing her support for equal rights for the group. President Kumandara introduced four documents as components of her devolution process, the most controversial of which was a proposal to literally rewrite the country's constitution. In 2000, a series of negotiations took place between Kumandara's Party, the PA and its opposition Party, the UNP. The result of these negotiations was draft language for a new constitution giving greater freedoms and rights of self-governance to the Tamil minority throughout the Northern and Eastern provinces. The new language, tabled in August 2001 was overwhelmingly rejected by the UNP. However, UNP heads pointed out that the language tabled was not the same language derived from the previous negotiations – now granting the North-Eastern Interim Council a power span of 10, versus five years. The draft language was immediately rejected by Parliament for being overly accommodating to the Tamils, and by the LTTE, for inadequately addressing their demands.[117]

Lessons Learned

Throughout the nearly 25 years of failed attempts to achieve lasting peace in Sri Lanka, numerous recurring problems and pitfalls have emerged. The lessons learned from observing Sri Lankan peace negotiations, while rudimentary, are vital to the country's ability to achieving viable peace at any point in the present or the future. The lessons learned through this overview of peace attempts are as follows:

- A mutual effort must be set forth to understand the positions of all parties involved in a conflict.
- Both sides must be fully willing to negotiate, making some concessions in order to achieve peace.
- Both sides must be truly ready for peace and have an incentive to

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[116] Behera, "The Politics of Violence and Development in South Asia*".*

[117] "Human Rights Watch (2001)," *Asia Overview*,
www.hrw.org/wr2k1/print/full/asia.pdf(accessed June 16, 2007)

leave the state of conflict.

- Peace attempts must be afforded with the full support and participation of all conflict stakeholders.
- Peace negotiations must be handled by individuals empowered to make decisions and enter into agreements to bring resolve to the conflict; not merely representatives with no decision-making powers.
- Government parties must work together with a sole agenda in order to achieve peace; internal turmoil among opposition parties should not interfere with the overall objective of achieving long-term stability.
- Governments must act in the best interest of their country, not wavering to accommodate the foreign policies and/or the security and terrorism policies of its allies if peace is to be achieved.
- Humanitarian needs must be put before political agendas when negotiating the terms of peace.
- Peacekeepers must have appropriate enforcement mechanisms/power in order to ensure compliance with international agreements. Furthermore, mechanisms of recourse must be in place and utilized in cases of violations of such agreements.

A Peace Plan for Sri Lanka

A sustainable conflict resolution intervention in Sri Lanka should be premised on a vision for building positive peace in the island nation. Galtung's positive peace thesis calls for the absence of violence and creation of conditions whereby social, political and economic structures promote a harmonious and equitable co-existence for all stakeholders and the root causes of conflict are eliminated. Such an intervention would aim towards accomplishing the following objectives: [118]

- Demobilisation, demilitarisation and de-escalation of violence.
- Creating the political space to engage key players in a sustained and meaningful dialogue.
- Economic, civic and political reform and reconstruction.
- Reconciliation of the diverse ethnic communities through peace commissions working on truth telling and trauma healing.
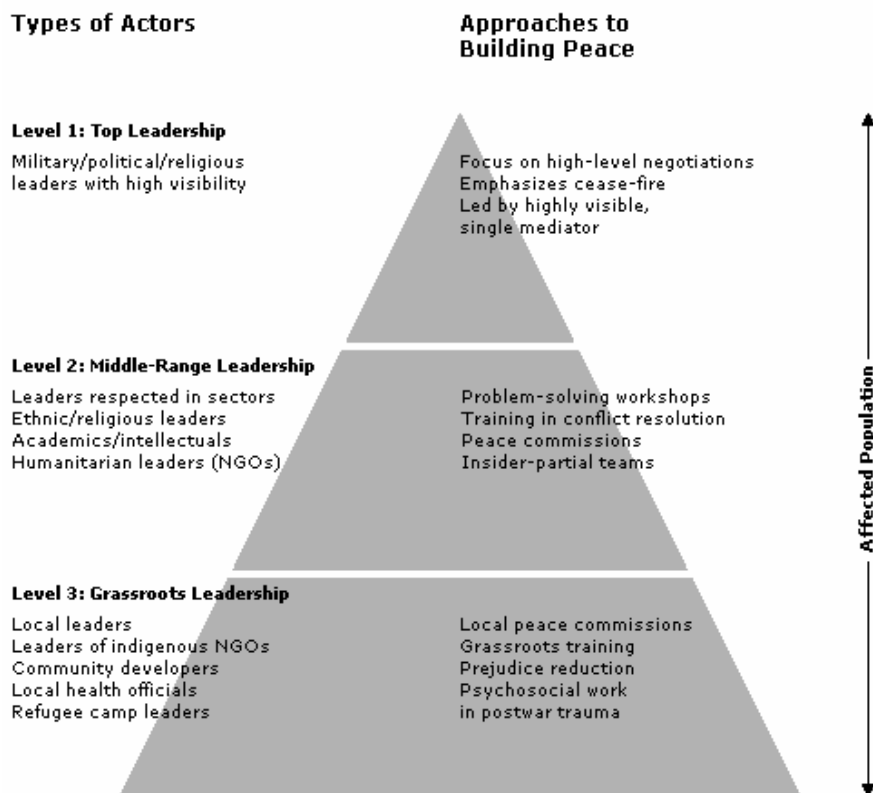
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[118] J. Galtung, "Violence, Peace and Peace Research," *Journal of Peace Research* 6, no.3 (1969):167-191.

The proposed peace plan for Sri Lanka shall incorporate a continuum of strategies including but not limited to:

1. Coercive peacemaking
2. Peacekeeping
3. Conflict settlement
4. Conflict resolution
5. Transformation.

As informed by Lederach's model on Approaches to Peace Building (Figure 3), the strategy shall call for working with various tiers of society simultaneously. Additionally, the conflict intervention plan shall entail negotiating with the primary stakeholders, including those engaged in armed confrontation; especially the key decision makers and grass roots opinion leaders; as well as potential spoilers. Let us consider Lederach's framework, for a viable conflict intervention plan that takes into account key players at various levels of society:

Types of Actors   **Approaches to Building Peace**

Level 1: Top Leadership
Military/political/religious
leaders with high visibility

Focus on high-level negotiations
Emphasizes cease-fire
Led by highly visible,
single mediator

Level 2: Middle-Range Leadership
Leaders respected in sectors
Ethnic/religious leaders
Academics/intellectuals
Humanitarian leaders (NGOs)

Problem-solving workshops
Training in conflict resolution
Peace commissions
Insider-partial teams

Level 3: Grassroots Leadership
Local leaders
Leaders of indigenous NGOs
Community developers
Local health officials
Refugee camp leaders

Local peace commissions
Grassroots training
Prejudice reduction
Psychosocial work
in postwar trauma

Affected Population

Derived from John Paul Lederach, *Building Peace: Sustainable Reconciliation in Divided Societies* (Washington, D.C.: United States Institute of Peace Press, 1997), 39.

Figure 3. Actors and Approaches to Peace Building

The proposed peace plan shall be guided by the above model as well as the post-war reconstruction/withdrawal matrix and the Intervention, Reconstruction, Withdrawal (IRW) operations model designed by Ramsbotham, Woodhouse and Miall.[119] The various phases and tasks of the IRW proposed in the model are as follows.

1. Phase 1: Intervention: peacekeeping/elite peacemaking
2. Phase 2: Stabilization: structural peace building, withdrawal phase 1
3. Phase 3: Normalization: cultural peace building, withdrawal phase 2
4. Phase 4: Continuing transformation - post-intervention

The IRW matrix also recommends making strategic interventions in the following sectors: security; law and order; government; economy; and society, which shall be explored later in this section.

Central to the conflict intervention design shall be a faith based-diplomacy strategy that mobilizes religious leaders within the Sinhalese Buddhist and Tamil Hindu communities of Sri Lanka. If religious leaders are convinced of their potential role in promoting peace within the island nation, they could be instrumental in bringing about attitudinal change in the prevailing adversarial relationships. Generally speaking, peaceful co-existence is a value shared by most religious ideologies, in spirit if not in practice. Unfortunately, religious justifications are often sought as pretexts for engaging in conflict, rather than resolving it. Religious texts are often distorted, quoted out of context, and misinterpreted to incite feelings of hostility and threat, and to justify war and violence between communities. However, generally speaking, the parties which are usually responsible for exploiting religious sentiments are more often than not, politicians and demagogues, rather than clerics. Faith based diplomacy, therefore, presents an innovative approach to raise awareness regarding the significance of peace and forgiveness in various religions.

Core Buddhist Ideals

Engagement and dialogue at various levels of society as well as the global environment, is a manifestation of the principle that modern Buddhism espouses in transforming conflict. The writings compiled by Christopher Queen and Sallie King on the Buddhist dynamics of social and political engagement suggest that Buddhism's primary concern above all is for social

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[119] O. Ramsbotham, Tom Woodhouse and H. Miall, *Contemporary Conflict Resolution: The Prevention, Management and Transformation of Deadly Conflicts,* 2nd ed (Cambridge (UK): Polity Press, 2005), 198-199.

justice, human welfare, and world peace.[120] These aspects of the Buddhist dogma may be propagated within the Sinhalese community and the ruling elites, for its application to conflict transformation strategies, as explained hereunder.

Quenching "Dukkha": Suffering at the Micro and Macro Levels

Buddhism seeks to restructure society and influence social change through love and compassion. The foremost strategy of this reformist orientation is to alleviate *dukkha* or suffering by imparting selflessness, interdependence and compassion for all by promoting values centered on human rights, social justice, tolerance and love. Buddhism views social, economic and political suffering as deeply embedded within a structure, culture and society. The Buddhist ideal of eradicating *dukkha* means not only ending individual misery but also social misery, as it perceives the individual and society as inter-dependent. It calls for, in some cases, a social revolution through awareness raising, political activism, economic restructuring, and social uplift programmes.

Buddhism with a Small "b" – the Self-Negation Aspect

The evolving and pliable nature of the Buddhist dogma encourages self-negation for the benefit of human welfare. Therefore, it has been referred to as Buddhism with a small "b". Global peace and security for Buddhist leaders are not to be compromised at the cost of Buddhism. This model of Buddhism demonstrating a high concern for the other, even at one's own expense, ought to be emphasized by a potential third party, seeking to reconcile the Sinhalese masses with their ethnic "other".

Buddhist Inclusivism

Whether it is a religion or a way of life, Buddhism stands for inclusivism at all levels of the society. The Buddha may or may not have considered himself God but his credo has a humanistic appeal which many, and often the most marginalized and disadvantaged communities, have gravitated to, and embraced as a religion. Buddhism is liberating because it shuns the distinctions that degrade and belittle individuals and groups, and it is humanizing because it calls for the uplift of the most neglected, distressed and traumatized sections of the global society, that many religious movements

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[120]   C. Queen and S. King, eds., *Engaged Buddhism: Buddhist Liberation Movements in Asia* (Albany: State University of New York Press, 1996).

overlook in the quest for dominance over others.   While the practice of such ideals may not be common, it is important to invoke amongst the majority Sinhalese community the ethics that are morally binding upon them.

Basic Tenets of Hinduism

Hinduism, like most other religions, preaches values that promote compassion, non-violence and social welfare. These teachings could be emphasized to prevent the LTTE from engaging in activities, such as terrorism and in particular suicide bombing. Children (potential child soldiers) could also be reached out in schools, to reflect upon these principles. The spirit of Hinduism adheres to principles such as: [121]

- Satya: power of truth
- Ahimsa: non-violence
- Karma implying that all action (mental, emotional, and physical) leads to rebirth
- Dharma: order and adherence to traditional values

Other moral ideals of Hinduism espouse friendship, compassion, fortitude, self-control, purity and generosity. Many of these values are shared by Buddhists as well, and could be used as the common ground to encourage the Tamil Hindu and Sinhalese Buddhists in Sri Lanka to consider peaceful co-existence.

Modalities of the Peace-Building Design for Sri Lanka: Strategic Long-Term Objectives

National Level

- Restoration of peace and security by coercive peacekeeping.
- Key institutional reforms and development strategies.
- A just, durable and positive peace for all ethnic and religious communities in Sri Lanka in line with their aspirations.

Grass-Roots Level

- Reaching out to the masses with special attention to women, children and minorities.
- Promoting law and order and sustainable security.

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[121]   Subhamoy Das, "The Main Tenets of Hinduism," *About.Com*, http://hinduism.about.com/od/hinduism101/a/tenets.htm (accessed July 2, 2007)

- Acknowledgement and celebration of cultural diversity.
- Fostering social well-being.
- Provision of economic opportunities especially for all inclusive of marginalized communities.
- Reconciliation and reintegration processes.
- Community mobilization in political processes.

Middle Level

- Promote the religious tenets for peace—Buddhism, Hinduism (nonviolence, compassion, pluralism).
- Peace activism and constituencies for public pressure against the war; building support for politicians that would end the war.
- Peace Commissions for truth telling and trauma healing, leading to reconciliation.

Government Level

The GOSL should consider a compromise power sharing formula developed through a consensus-based mechanism that is accountable to all ethnic communities as a sustainable formula for peace. Failing to concede a win-win solution for all parties, the GOSL should be prepared to incur a continuation of the tremendous costs of the civil war and possibly the fragmentation of the island nation. However, a power-sharing one state solution may not be an option for the LTTE either. The parties may therefore, consider building upon any of the following models, which could be modified through a collaborative third party-facilitated, problem-solving mechanism, as appropriate.

      a. A unitary constitution with extensive devolution; or,
      b. A federal constitution that accomodates power sharing; or,
      c. A confederation of states; or,
      d. An association of states along the lines of the European Union.

Regional Level

Organizing the SAARC (South Asian Association for Regional Cooperation), SAFMA (South Asia Free Media Association), and SAFTA (South Asia Free Trade Agreement) to push for conflict resolution processes in Sri Lanka.

International Level

Mobilizing international pressure and calling for a renewed interest and commitment to conflict resolution in the island nation. A UN-mandated reassessment of the Norwegian role and the establishment of an international mediation team led by Norway, or other potential peacemakers, such as Nelson Mandela or Jimmy Carter. Buddhist leaders, such as the Dalai Lama, Nhat Hanh and the Buddhadasa may also be called upon to participate in conflict transformation processes. The strategy should lobby for international influence to achieve the objectives of demilitarization, demobilization and reintegration of Tamil, Sinhalese, and Muslim communities in Sri Lanka. A dialogue with key diaspora and the Indian government to address the exogenous sources of the armed conflict should also be a key priority in setting the stage for conflict resolution and transformation processes.

Short Term Phased Goals

Phase I

- War termination and cessation of violence; maintaining law and order through coercive peace making and peace keeping by UN troops belonging to neutral countries. The peace enforcers shall be engaged in demilitarization, demobilization and de-mining. During the operations, they must refrain from taking sides with local players, although the latter are quite likely to develop their own views of impartiality.[122]

Phase II

- Forming a UN-mandated international panel for mediating the conflict that would be acceptable to all parties. Consider whether Norway can continue to play a role or should someone else? Possibilities include the involvement of the EU, UN and/or the aforementioned international figures).
- Getting to the table – Finding a window of opportunity to get the key decision makers from the LTTE and GOSL together and ensuring that no potential spoilers are left out of the process. The process would entail looking out for indications of a mutually hurting stalemate or signs of war weariness. Other indicators suggesting that the time is ripe for resolution, may include, de-escalation in levels of

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[122] H. J. Sokalski, *An Ounce of Prevention: Macedonia and the UN Experience in Preventive Diplomacy* (Washington, DC: U.S. Institute of Peace (USIP) Press, 2003), 109.

violence, such as cease-fires; goodwill gestures and peace feelers; and change in leadership, inter alia.

- Exploring the possibilities for a middle ground in elite negotiations: highlighting areas of mutual concern and interests, such as child and human rights.
- Training a highly professional and ethnically representative Sri Lankan police force to ensure law and order. Ethnically integrated security forces could promote the needed sense of security and calm within Sri Lanka's diverse communities. The police force should not be considered a call for a one-state solution; however, it is imperative to build the internal capacity of the state to ensure a peaceable environment, regardless of the potentially dynamic organization of the state.

Medium Term Objectives – Multi-track Initiatives

Phase I

- Building avenues for inclusive dialogue and influencing public opinion by reaching out to religious, military and political leaders.
- Providing opportunities for common people to meet with the "ethnic other," including the Sinhalese, Tamils and the Muslim communities.
- Conflict Resolution mechanisms shall include a rigorous programme of trainings and workshops at all levels including the elites, mid-level and grassroots communities. A variety of approaches could be adopted including truth telling and trauma healing, prejudice and bias awareness; political education and advocacy, and peace constituencies.
- Peace campaigns that mobilize the masses for participation in peace marches, non-violent protests, and rallies against the war across the country in collaboration with Non Governmental Organizations (NGOs) and Community Based Organizations (CBOs).
- Funding should be allocated to civic and economic reconstruction projects and cultural reintegration initiatives. Restructuring the system to eliminate the causes of ethnic discrimination and alleviating the causes of human suffering should be strived for.

Phase II

- Beginning of a phased withdrawal of UN peacekeepers/peace enforcers.
- Stabilization processes introducing political, cultural and economic reform through structural and institutional adjustments such as:
    1. Promoting inter-faith harmony in urban centres and villages promoting a sustained community dialogue. The dialogue

should be based on the Hindu and Buddhist values of non-violence (ahimsa), compassion, and the power of truth (satya graha). Tolerance, forgiveness, peace, and compassion are also key concepts in the religion of Islam and may be highlighted as well where minority Muslim communities are involved.

2. Running a high-profile electronic and print media peace campaign.

3. Using theatre as a tool to raise awareness of the local communities regarding the injustice inherent in attitudes and behaviours that promote ethnic cleansing, terrorism, and violence.

4. Micro-enterprise development: promoting cottage industry and the indigenous resources base; providing vocational training to Sri Lankan youth, women, and the unemployed. Community mobilization and participatory project management strategies may also be promoted in this regard.

5. Building and training district-level political constituencies with proportional representation of women and minorities.

6. Supporting indigenous community-based dispute resolution mechanisms.

7. Constitution of proportionally representative civilian peace, human rights, and institutional law enforcement monitors.

8. Developing a spirit of reconciliation through an aggressive media campaign and training workshops of community leaders: highlighting chosen glories rather than chosen traumas, re-humanizing the other, rewriting history in school texts, inter alia.

9. Continue building the capacity of civil society and supporting initiatives that protect minorities, women and children.

Phase III

- Completing the phased withdrawal of UN peacekeepers and setting up of a UN Observer mission.

- Continuing transformation by ensuring good governance, security, cultural integration, political and economic stability across the spectrum of Sri Lanka's ethnically diverse communities.

- At the governmental level, this should include establishment of legitimate, transparent and non-corrupt state institutions. Proportional or quota-based representation of minorities and women must also be guaranteed.

- Judicial reform: courts composed of judges of top legal, scholarly, and personal credentials, trained in civil and constitutional law, including minorities and women; and amending the counterterrorism laws. The

Emergency Regulations and the Prevention of Terrorism Act should be placed before parliamentary and public scrutiny, as well as intense judicial examination. Protection of fundamental human rights should be provided for in these regulations so they act as deterrents rather than inducing more violence.

Regional Integration and Stability

- Confidence building measures with India, including joint projects to develop regions where terrorists find safe havens, recruit vulnerable communities and organize themselves.
- Pakistan, Bangladesh, and India as South Asian neighbors, may be called upon to provide expertise in capacity building of the civil society.
- Collective security and cooperation agreements with the neighbouring states in South Asia, particularly India.

Phase III

Finalising a peace agreement between the GOSL and the LTTE that charts a sustainable framework for positive peace in the island nation.

Final Word

As complex as the situation in Sri Lanka portends to be, the quest to achieve viable peace is not entirely hopeless. The purpose of this case study was to provide a comprehensive glimpse into a conflict whose past attempts at achieving peace have thus far proven fruitless but have left room for substantial growth. Through an objective and thorough understanding of the ethnic, cultural and historic context of this conflict, the development and implementation of a comprehensive peace strategy is possible, despite the numerous failed attempts to achieve peace. As alluded to throughout this paper, such a plan would require a comprehensive, holistic approach with the full participation and support of all conflict parties, as well as the international community. As with many conflicts of this nature, the timely transformation and resolution of this situation is imperative to ending the type of suffering that has plagued the island nation of Sri Lanka for more than two decades.∎

CONVERGING INTERESTS: SINO-SAUDI RELATIONS ON THE RISE

Aly Zaman and Ghulam Ali[*]

Abstract

During the Cold War, relations between China and Saudi Arabia were marred primarily by perceived ideological differences and their respective alignments with diametrically opposite power blocs. Over the last two decades, however, there has been a significant improvement in Sino-Saudi relations, commencing with Saudi Arabia's decision in 1990 to shift diplomatic recognition from Taiwan to China. The bedrock of the new relationship is China's pressing need for Saudi oil, but significant diplomatic, trade and investment linkages, increasing military cooperation and China's traditional balanced approach to the Middle East conflict, are also strengthening these ties. These converging interests, combined with the post-9/11 decline in U.S.-Saudi ties, indicate a bright future for the Sino-Saudi relationship.

*I*t was as recently as 1990, less than two decades ago, that the Peoples' Republic of China (PRC) and the Kingdom of Saudi Arabia established full diplomatic relations. Prior to that, the stark economic, political and religious differences between the two countries, nurtured and sustained by the rigidly defined power bloc alignment of the Cold War, prevented them from coming together and finding common ground. Once the Cold War ended, however, a noticeable thaw took place in Sino-Saudi relations, leading initially to the establishment of diplomatic ties but rapidly progressing into a mutually beneficial relationship based on meaningful cooperation on a range of issues vital to the interest of both countries. These issues include Chinese access to Saudi Arabia's enormous oil reserves, Saudi access to Chinese military hardware and increased diplomatic cooperation on issues affecting the Middle East, in general, and the Persian Gulf, in particular.

This paper identifies the factors that compelled China and Saudi Arabia, divided for decades by widely divergent ideologies, to draw closer to each other. It discusses the nature and impact of high-level diplomatic exchanges between the two countries over the last two decades which solidified into the present mutually compatible relationship. It also examines

[*] Aly Zaman, MSc (Defence and Strategic Studies) and currently doing his Master's Studies in the U.S.; Ghulam Ali, MA (Political Science), MPhil (History) and currently a PhD candidate at Monash University, Australia.

the fruits of those exchanges in terms of increased energy cooperation, enhanced trade and investment and complementary views on a number of diplomatic issues. Finally, it focuses on the prospects for further improvement in the Sino-Saudi relationship, particularly in the wake of the post-9/11 decline in U.S.-Saudi relations.

Background

Compared to the other four permanent members of the United Nations Security Council (UNSC), namely, Britain, France, Russia and the United States, China is a very recent entrant into the Middle East as a player of consequence. During the Cold War, the historically isolationist Chinese considered it wise to keep themselves out of the politically explosive region and it was not until the late 1970s that relations were established with Syria, Jordan and most of the oil-rich states of the Persian Gulf.[1] One notable exception, however, was Saudi Arabia, which refused to recognise the People's Republic of China (PRC) even after it replaced Taiwan as a permanent member of the UNSC in 1971, deeming it unworthy of recognition on account of being a godless communist state that preached destructive revolution.[2]

By the mid-1970s, however, China's revolutionary ardour began to cool down replaced by a desire for greater economic development and improved relations with the rest of the world. Previously, China had been an ardent and committed supporter of revolutionary movements around the world, including the Middle East, but after its rapprochement with the U.S. in 1970-71, and its admission into the UN, Beijing's interest in aiding the forces of revolution waned considerably and was replaced by the need to mend fences and build bridges with established governments and stable regimes.[3] Throughout the 1970s and 1980s, China steadily built up its relations with almost all nations in the Middle East and after Bahrain formally recognised the PRC in 1989, Saudi Arabia was the only country left in the region that still recognised Taiwan.

While it may have considered Saudi Arabia a regressive theocratic monarchy with an archaic feudalistic governing apparatus, China nevertheless

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[1] Gal Luft and Anne Korin, "The Sino-Saudi Connection," *Commentary Magazine* (Institute For the Analysis of Global Security), March 2004, http://www.iags.org/sinosaudi.htm

[2] In October 1971, the UN General Assembly adopted Resolution 2758, which recognized the People's Republic of China as the lawful representative of the Chinese people and expelled representatives of Taiwan from it.

[3] T.Y. Wang, "Competing for Friendship: The Two Chinas and Saudi Arabia," *Arab Studies Quarterly* 15, no. 3 (Summer 1993), http://www.thefreelibrary.com/Competing+for+friendship:+the+two+Chinas+and+Saudi+Arabia-a015016927

acknowledged the importance of building ties with the world's largest oil producer and one of the leading nations of the Islamic world. Also, the rapprochement with the U.S. in 1971 led to a desire on the part of the Chinese to expand their relations with America and Saudi Arabia's privileged position as a frontline U.S. ally made it a particularly attractive target for China through which to draw closer to the U.S. From the 1970s onwards, Riyadh became a key component of the three-pronged Chinese strategy of improving relations with the U.S., preventing Soviet expansionism in the Middle East and securing greater access to Persian Gulf oil.[4] At the same time, the rift between China and the Soviet Union over the leadership of the communist world and the former's opposition to the Soviet invasion of Afghanistan in 1979 also compelled the Saudis to take a more lenient view of China. While Saudi Arabia continued to deny diplomatic recognition to China, it nevertheless became conscious of the need to construct some sort of a mutually beneficial relationship with a country housing one-sixth of all humanity and with a rapidly expanding profile in world affairs.

In line with tactics previously used to build relations with Africa and Latin America, the Chinese initially used unofficial and people-to-people contacts to lay the foundation for diplomatic relations with Saudi Arabia. Beijing's tolerant approach to the revival of Islam in China became one of the tools used to move closer to Saudi Arabia and other Islamic countries. Although the first Chinese Hajj mission to Mecca was sent in 1955, religious contacts between the two countries were interrupted in the 1960s and did not resume until October 1979.[5] Since then, Chinese Hajj delegations have regularly performed the pilgrimage to Makkah and Saudi religious missions have frequently visited China.[6] In addition to religious contacts, China also increased the pace of economic contacts with Saudi Arabia. Indirect trade between the two countries increased steadily after 1979 and when Riyadh lifted a long-standing ban on imports carrying "Made in China" labels in 1981, the indirect trade became bilateral.[7] By the early 1980s, Saudi businessmen began privately attending the Canton Trade Fair.

Side by side with religious, cultural and economic exchanges, China also strove manfully on the diplomatic front to move closer to Saudi Arabia. It

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[4] Ibid.

[5] Ibid.

[6] One of the most significant of the Saudi religious visits was in 1981, when the Saudi-run World Islamic Organisation sent a delegation which made a donation of US$ 500,000 to the China Islamic Association. This and other religious contacts had an important symbolic value in that they lent support to China's contention that the nature of its regime was not fundamentally incompatible with a Muslim country like Saudi Arabia.

[7] P. Bowring, "The Ties that Bind," *Far Eastern Economic Review*, (January 15, 1982): 10-11.

condemned "Israeli aggression and expansion" as the root of the Arab-Israeli conflict and asseverated that peace in the Middle East would "never become a reality without a settlement of the Palestinian problem."[8] Thanks to the combined effect of these efforts on a range of fronts, the first official contact between the two nations finally took place in 1981, when Chinese Premier Zhao Ziyang and Saudi Crown Prince Fahd ibn Abd al-Aziz met at the North-South Conference held in the Mexican city of Cancun. That meeting was followed a year later by the visit of Saudi Foreign Minister Prince Saud al-Faisal to Beijing as the head of an Arab League delegation sent to explain Arab issues, particularly the Palestinian problem, to the Chinese. While the Prince was officially only a member of the delegation, his presence was still important since it marked the first visit by a Saudi minister to the PRC.

Seriously concerned by the increasing tempo of these contacts, Taiwan reacted by repeatedly impressing upon Saudi Arabia to clarify its position towards Beijing and was just as often assured by Riyadh that it would "never establish diplomatic ties with any communist nation as communist ideology is in fundamental conflict with Islam, which is the foundation of the Saudi Kingdom."[9] As it turned out, however, the Saudis were merely postponing the inevitable; although there was no political breakthrough between China and Saudi Arabia during the early 1980s, bilateral relations continued to improve and it became apparent that the establishment of full diplomatic relations would only be a matter of time.

Towards the mid-1980s, the evolving Sino-Saudi relationship received a major fillip when, in 1985, China agreed in principle to supply CSS-2 intermediate range missiles to Saudi Arabia. Wary of the potential threat from revolutionary Iran, the Saudis wanted to purchase sophisticated weaponry as a deterrent and when their requests to the U.S. in this regard were turned down, they turned to the Chinese, who were only too happy to oblige, considering that through this sale they would not only be earning much needed foreign exchange but also be going a long way towards their objective of weaning Saudi Arabia away from Taiwan. In 1988, therefore, a consignment containing an unspecified number of CSS-2 missiles was duly supplied to Riyadh.[10]

During the late 1980s, relations between Saudi Arabia and mainland China continued to improve, while relations between Saudi Arabia and Taiwan underwent a simultaneous decline. In 1988, King Fahd refused to send a Saudi delegation to Taiwan's national day celebrations, breaking a long-standing

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[8] Lian Godong, "Commentary: Important Step by Gulf States," *Xinhua*, November 13, 1981, Lexis-Nexis Database.

[9] Wang, "Competing for Friendship".

[10] Nayan Chanda, "The Third World Race for Ballistic Missiles," *Far Eastern Economic Review*, (June 2, 1988): 22-24.

precedent thereby.[11] At the same time, he sent the Saudi Ambassador to the U.S., Prince Bandar bin Sultan, as his special envoy to China where the envoy met Zhao Ziyang, then General Secretary of the Chinese Communist Party. A month after Prince Bandar's visit, Beijing and Riyadh decided to exchange trade offices in order to further develop "the friendly relations and cooperation" between the two nations in the economic and commercial fields.[12]

Taiwan attempted to preserve the status quo for as long as possible but it soon became aware that it was fighting a losing battle, considering that China simply had a great deal more to offer to the Saudis. For instance, the sale of the CSS-2 missiles worth US$ 3.5 billion in 1988 was followed by the launching of satellites worth US$ 3.1 billion by China for Saudi Arabia. The two deals totaled US$ 6.6 billion and Beijing paid out 10 per cent of the rebate (US$ 660 million), in addition to a US$ 50 million reimbursement. The total amount of US$ 710 million was twice as much as Taiwan's annual defence budget. This underlined the disproportion between the two countries in terms of economic and military might.[13]

On July 17, 1990, the Saudi government sent a special envoy to Taipei to inform the Taiwanese government that Riyadh had decided to open diplomatic ties with Beijing and demanded the downgrading of the Taipei and Riyadh embassies to unofficial representative offices. Taiwan lodged a strong protest and suspended diplomatic relations with Saudi Arabia on July 22, paving the way for the establishment of full diplomatic relations between the Kingdom of Saudi Arabia and the People's Republic of China (PRC). Riyadh recognized that the "the Government of the People's Republic of China is the sole legitimate government that represents the entire Chinese people", thus retracting from its former recognition of Taiwan. In return, China agreed to support "the policy of the Government of the Kingdom of Saudi Arabia in pursuit of achieving its security, stability and national interests".[14] On April 25, 1993, China opened its consulate in Jeddah and in April 1993 Saudi Arabia followed suit by opening a similar office in Hong Kong.

Riyadh's decision to finally have formal ties with Beijing was motivated by sound practical considerations and a carefully worked out cost-benefit analysis which showed China as being politically, economically and militarily a more alluring long-term partner than Taiwan. First, Saudi Arabia was conscious of the need to have important countries supporting its stand on the Palestine issue, which is what Beijing had been doing quite consistently,

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[11] Wang, "Competing for Friendship".

[12] Ibid.

[13] Ibid.

[14] The full text of the Communiqué is available at Ministry of Foreign Affairs of the People's Republic of China,

and as one of the permanent members of the United Nations Security Council (UNSC), it was believed that China could use its diplomatic leverage to assist the Saudis in putting more pressure on Israel. Secondly, Saudi Arabia also hoped to prevent, or at least delay, the future development of closer ties between China and Israel. Third, the sale of the CSS-2 missiles suggested to Riyadh that Beijing could prove to be a reliable source for the supply of sophisticated weaponry, and enable Riyadh to bypass the pro-Israel lobby in Washington that had forestalled the sale of strategic arms to the Saudis.

Since the end of the Cold War, and with the emergence of China as an economic and military powerhouse, Beijing has assumed a much more active role in the Middle East than in the Cold War era, but not in a way that would threaten the region's already fragile peace. Unlike the United States, which has historically played an intrusive and destabilising role in the Middle East, China's foray into the region is necessitated not by the desire to police the Middle East or to invade countries within it but primarily to meet its rapidly growing energy requirements as well as to further promote its economic and diplomatic ties both with the Arab countries as well as the larger Islamic world. Beijing realizes that in the attainment of the aforementioned objectives greater cooperation with Saudi Arabia will remain of essence.

High Profile Visits

The establishment of diplomatic relations was followed by high profile visits from both sides, although it appears as if Beijing was more enthusiastic than Riyadh in developing these relations, going by the quantity as well as quality of the visits.[15]

Chinese Visits to Saudi Arabia

Beijing's enthusiasm to promote newly established relations with Riyadh can be determined from the fact that within a year of establishing diplomatic relations, in July 1991, China's Premier, Li Peng, was in Saudi Arabia and held meetings with top leaders of the country, especially King Fahd. The two countries termed them "an in-depth exchange of views" on bilateral relations and international issues. Fahd assured his guest that his visit would serve as "a new starting point" in pushing their relations forward. Premier Li, on his part, stated that Saudi Arabia was "an important country in the Middle East and the Gulf region, and an important factor for regional peace and stability." The two leaders agreed that the Palestine issue formed the core of the problem and that the solution lay in the implementation of UNSC Resolutions 242 and 338 and

http://test.fmprc.gov.cn/eng/wjb/zzjg/tyfls/tyfl/2631/t15494.htm

[15] Ministry of Foreign Affairs, People's Republic of China,
http://www.mfa.gov.cn/eng/wjb/zzjg/xybfs/gjlb/2878/default.htm

the immediate withdrawal of Israel from occupied Arab territories.[16] Following this, China's State Councilor and Foreign Minister, Qian Qichen, went to Saudi Arabia in November of the same year. In 1992, President of the Chinese People's Association for Friendship with Foreign Countries, Han Xu, visited Saudi Arabia. It was followed by the visits of Vice Premier Li Lanqing in 1993, and of Vice Foreign Minister Tian Zengpei, first in June 1994 and then in January 1997.[17] Before the landmark visit of China's President, Jiang Zemin, to Saudi Arabia in October 1999, State Councilor and Secretary-General of the State Council, Luo Gan, Vice-Chairman of the Central Military Commission, State Councilor and Defense Minister, Chi Haotian, Vice Chairman of the Chinese People's Political Consultative Conference (CPPCC), Ye Xuanping, and Vice Foreign Minister, Ji Peiding, visited Saudi Arabia in August 1995, June 1996, November 1996 and May 1999 respectively.[18]

Jiang Zemin's visit to Saudi Arabia in October 1999 came at a time when Sino-U.S. relations were tense owing to the U.S.-led NATO bombing of Yugoslavia, in which the Chinese embassy in Belgrade was partially damaged. During the visit, the two leaders discussed their mutual relations, regional and international politics and signed a number of agreements on strengthening cooperation in the fields of education, radio, television, news media, and petroleum. Another important outcome of the visit was a Joint Communiqué in which they expressed satisfaction over their friendly relations and resolved to further strengthen them.[19]

Saudi Visits to China

The first major visit from the Saudi side to China was of Saudi Foreign Minister, Saud al-Faisal, in September 1990. It was followed by the visits of Minister of Finance and National Economy, Aba Al Khail, in November 1992, Minister of Commerce, Sulaiman Salaim, in March 1994, Minister of Oil, Hisham Nazer, in May 1994, Chairman of Consultative Council in October 1995, Minister of Oil, Naimi, first in December 1995 and then in October 1997, Minister of Finance and National Economy, Assaf, in February 1996, Deputy Foreign Minister, Mansori, in October 1996, Minister of Higher Education, Anqari, in October 1997 and Minister of Commerce, Faqih, first in January 1998 and then in September 1999.[20]

The first important visit from the Saudi side was of Crown Prince Abdullah, in October 1998. During the visit, Abdullah obtained full Chinese

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[16] BBC Summary of World Broadcasts, July 12, 1991; *Xinhua*, July 12, 1991, Lexis Nexis Database.

[17] Ministry of Foreign Affairs, People's Republic of China.

[18] Ibid.

[19] *Xinhua*, October 31, 1999, Lexis Nexis Database.

[20] The Ministry of Foreign Affairs, People's Republic of China.

support for the Middle East peace process and for Saudi's stand for an international rejection of Israel's illegal attempts to annex Jerusalem. In return, Riyadh reiterated that the PRC was the sole legal government representing the Chinese people, and that Taiwan was an inseparable part of China. The two sides signed a memorandum of understanding covering trade, oil and mineral resources, investment, and technology.[21] They also agreed to establish a joint business council to boost commercial and investment cooperation.[22] Then in May 2001, Saudi Arabia's Assistant Minister of Foreign Affairs, Nizar Obaid Madani, visited China. Madani met with Chinese Foreign Minister, Tang Jiaxuan, who assured him that China would continue its role in the Middle East peace process.[23]

Post-9/11 Visits

The events of 9/11 influenced Sino-Saudi relations in certain ways. Immediately in the wake of terrorist attacks in the U.S., China like many other countries, tightened visa conditions for Arab countries including Saudi Arabia. The action was taken against the backdrop that most of the terrorists involved in the attacks, belonged to Saudi Arabia. However, the Saudi side soon put the issue before the Chinese authorities by a Saudi delegation of the Riyadh Chamber of Commerce and Industry's (RCCI) visit to China in October 2001. The delegation was assured by the head of Saudi-Chinese Friendship Society, Dr Wang Tao that such restrictions were temporary and would soon be lifted.[24] The restrictions were gradually removed in the following years and the regular exchanges of visits again started.

The exchange of visits between the two countries continued. Saudi Minister of Industry and Electricity, Dr. **Hashim Bin-Abdallah Yamani,** visited China in 2002.[25] In January 2003, President of the Saudi Arabia-China Friendship Association and Chairman of the Council of Saudi Chambers of Commerce and Industry, Abdul Rahman Al-Jeraisy, came to China. In a meeting with Al-Jeraisy, the then Chinese Vice Premier, Wen Jiabao, stated that the international situation was experiencing profound changes, and it was in conformity with the interests of the two countries to strengthen bilateral ties.[26] The two countries also signed a Memorandum of Understanding (MoU) establishing the Saudi-China Business Council to speed up collaboration between the two countries in the field of trade and joint venture projects.[27]

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[21] *Xinhua*, October 17, 1998, Lexis Nexis Database.
[22] *Middle East News file*, October 15, 1998, Lexis Nexis Database.
[23] *Xinhua*, May 29, 2001, Lexis Nexis Database.
[24] *Saudi Gazette*, October 23, 2001.
[25] *Saudi Press Agency*, July 2, 2002.
[26] *Xinhua*, January 17, 2003.
[27] *Saudi Gazette*, January 23, 2003.

Later in April the same year, Secretary General of Saudi Chambers of Commerce and Industry, Fahad S. Al-Sultan, during his visit to China, stated that his country regarded China as one of its most important strategic trade partners. At that time, China had become fifth largest trade partner in terms of Saudi imports and the seventh largest in terms of Saudi exports.[28]

In April 2006, Saudi Minister of Petroleum and Mineral Resources, Ali Al-Naimi, visited Beijing. In his meeting with Chinese officials, Naimi stated that "the Kingdom supplies China at present with more than 300,000 barrels of oil per day but we are seeking to increase this amount given the rising demand in China". During those days China surpassed Japan and became the second largest oil importer after the U.S. The two countries also finalised an agreement to build a refinery in China's Fujian (southeast) province to process Saudi crude oil, and build railway tracks to transport the raw material to Jubail and Dammam on the Gulf coast.[29] Then in September 2004, a Saudi delegation led by Homood Bin Abdulaziz Albadr, Secretary General of the Consultative Council of Saudi Arabia, visited China. In December the same year, about 100 entrepreneurs from China and Saudi Arabia held trade talks in Beijing. The most important outcome of these talks was the setting up of a Sino-Saudi Arabian Joint Investment Company. By the end of 2004 Sino-Saudi trade had reached US$ 10 billion.[30]

The most significant Saudi visit to China was of the Saudi King Abdullah bin Abdul-Aziz in January 2006. Analysts termed the three-day visit "a strategic shift in Saudi foreign policy and reflective of a new era for the Kingdom".[31] This landmark visit was King Abdullah's first outside the Middle East since he assumed power in August 2005 and also the first by any Saudi ruler to China since the establishment of Sino-Saudi diplomatic ties in 1990.[32] King Abdullah told his Chinese hosts that Saudi Arabia considered China a "truly friendly country" and hoped that their relations would become "better and better".[33] The two countries signed five agreements on oil, natural gas and minerals cooperation; vocational training; economic, trade, investment and technology cooperation; avoidance of double taxation; and Saudi loan to fund a development project in China's largely Muslim region of Xingjian. Under the agreement on oil, natural gas and minerals cooperation, the two sides decided to construct a 100-million-ton crude oil storage facility in China's Hainan province and to build a new petroleum refinery in China to process Saudi oil.

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[28] *Xinhua*, April 24, 2003.

[29] *AFX*, April 2, 2004.

[30] *Xinhua*, December 14, 2004.

[31] *International Herald Tribune*, January 26, 2006 cited in Harsh V. Pant, "Saudi Arabia Woos China and India," *Middle East Quarterly* (Fall 2006), http://www.meforum.org/article/1019

[32] Julian, "China Makes Friends in the Gulf".

[33] Ibid.

According to an analyst, "the introduction of a Saudi oil storage base in Hainan could significantly improve its marketing ability not only in China but in the adjacent Asian regions as well".[34] It seemed that the oil factor had been acquiring key importance in Sino-Saudi relations.

China reciprocated Saudi visits in an appropriate way. In November 2001, China's Vice-Minister of the National Development and Reform Commission, Zhang Guobao, visited Saudi Arabia and held talks with Saudi Oil Minister, Ali Naimi, in which the two sides pledged to make efforts to boost energy cooperation in various fields. They also discussed some mining and refining projects involving Chinese firms in the Arab Kingdom.[35] In April next year, China's State Councilor, Wu Yi, made a five-day official visit to Saudi Arabia and held talks with Saudi Minister of Finance and National Economy, Ibrahim al-Assaf. At a joint press conference following the meeting, Wu said she discussed with the Saudi minister ways of boosting bilateral cooperation and expanding the trade volume, especially the Saudi oil export to China. The trade volume between the Kingdom and China by that time had reached near US$ 5 billion.[36] In May of the same year, China's Vice Minister of Culture, Zhou Heping, visited Saudi Arabia. The next visit was of China's Deputy Minister of Health, Ma Shiawi, in October the same year. Then in November 2005, China's Vice Minister of the National Development and Reform Commission, Zhang Guobao, visited Saudi Arabia and held talks with Saudi Oil Minister, Ali Naimi.[37]

From the Chinese side the most significant visit to Saudi Arabia was of President Hu Jintao in April 2006. During that visit, the leaders from the two countries decided to strengthen their cooperation in five areas namely investment and enterprise, energy and oil, bilateral and regional trade, culture and education, and development of cooperation mechanisms. Abdullah expressed his appreciation of China's constructive role in helping achieve peace and in promoting economic and social development in the region and wished that China gave more attention to the region's issues and continued to play an active part in solving the relevant issues.[38] Most recently, China's Defence Minister, General Cao Gangchuan, visited Saudi Arabia in January 2008. During the visit he held talks with Saudi King Abdullah who stated at the occasion that Saudi Arabia treasured Saudi-Chinese relations. Abdullah added that cooperation between Saudi Arabia and China was mutually beneficial as it was based on a win-win policy. Cao thanked the Saudi

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[34] JianJun Tu "The Strategic Considerations of the Sino-Saudi Oil Deal," *China Brief*, VI, no. 4 (February 15, 2006): 4.

[35] *Xinhua*, November 21, 2001.

[36] *Xinhua*, April 1, 2002.

[37] *People's Daily*, November 21, 2005.

[38] "President Hu Jintao holds talks with Saudi King Abdullah," *Xinhua*, April 23, 2006.

Government for pursuing the one-China policy and for supporting the great cause of China's reunification.[39]

The Sino-Saudi relations which were initially based on the oil factor and economic cooperation, now have an expanded basis. The changed geo-political environment since 9/11 has further necessitated the two sides to come closer to each other. The following part of the paper discusses the evolving nature and dynamics of these relations.

Lubricating the Relationship: The Oil Factor

Over the past quarter century, China has achieved a rate of economic growth that can truly be described as phenomenal. Annual average growth rates have hovered around the 8 -9 per cent mark over this period, reaching their highest at 11.4 per cent in 2007 and are expected to taper off somewhat to a still immense 10.5 per cent in 2008.[40] Achieving and sustaining such enormous rates of growth has not, however, been possible without consuming ever increasing levels of energy, particularly oil. In 2004, China overtook Japan as the world's second largest oil consumer and according to the U.S. Department of Energy; China's oil imports over the next two decades will grow by 960 per cent.[41]

Increasing affluence and prosperity within China has prompted millions of citizens to abandon bicycles and a choked mass transit system in favour of private automobiles. In 2006, there were an estimated 20 million cars on China's roads, with private auto sales rising by 54 per cent over the previous year in the first three months, and 1000 new cars were being sold every single day in Beijing alone.[42] It is no surprise, therefore, that the International Energy Agency predicts that by 2030, Chinese imports of oil will rise to 10 million barrels per day.[43] Some of these imports will continue to come from the Central Asian Republics, Venezuela, Russia, Indonesia and oil-producing countries in Africa, but the bulk of the supply will flow from the Middle East, a region which houses the highest oil producers in the world.

The Middle East currently provides over 58 per cent of China's total oil imports. By 2015, 70 per cent of those imports are expected to come from the region.[44] By far the most substantial oil supplies from within the Middle

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[39] *Xinhua*, January 24, 2008

[40] "Declining export growth to slow China's 2008 GDP increase to 10.5 per cent," *Xinhua*, March 24, 2008.

[41] Luft and Anne, "The Sino-Saudi Connection".

[42] See Ted Conover, "Capitalist Roaders," *The New York Times Magazine*, July 2, 2006, http://travel2.nytimes.com/2006/07/02/magazine/02china.html

[43] Ibid.

[44] John Calabrese, "The Risks and Rewards of China's Deepening Ties with the Middle East," *China Brief* 5, no. 12 (May 24, 2005): 3.

East to China are from Saudi Arabia, the country that holds a quarter of proven world oil reserves and which is also the world's largest oil exporter. In 2007, Saudi Arabia consolidated its place as China's top crude oil supplier after its exports growth outpaced that of nearest rival, Angola. The kingdom supplied 26.33 million metric tons of crude oil to Beijing, equal to around 528,000 barrels per day, or 17 per cent of China's total imports.[45] It is likely to pull further ahead of its closest rivals as it chases a target of exporting one million barrels a day to China by the end of the decade.[46] For 2008, China has already put in a request for, and is likely to receive, a 30 per cent increase in oil imports from Saudi Arabia.[47]

Saudi Arabia's abundance of oil and China's desperate need of it has been a crucial factor in bringing the two countries closer to each other and Beijing's almost insatiable hunger for more and more oil promises to ensure greater engagement with Riyadh in the foreseeable future. Already, the signs of cooperation in the energy sector are clearly evident. In 2005, Saudi oil giant Aramco signed a US$3.5 billion deal with Exxon Mobile and China's state-run energy behemoth Sinopec, for a joint oil refining and chemicals venture in Fujian. The deal involves the expansion of the existing refinery, a petrochemical plant and a joint marketing venture to operate 600 service stations in the province.[48]

For its part, Sinopec is involved in about 120 projects in the Middle East, that include those which will assist Saudi Arabia and Kuwait to invest in downstream infrastructure like oil refineries and petrochemical plants, in order to boost domestic capacity. It has also undertaken to explore oil and gas in Saudi Arabia's forbidding Rub al Khali (Empty Quarter) desert region.[49] In 2006, following visits to each other's nations by King Abdullah and President Hu Jintao, further collaboration in energy sector came to light when it was announced that Sinopec planned to sell a 25 per cent stake in an oil refinery in the eastern port city of Qingdao to Saudi Aramco.[50] In April, the Saudi energy

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[45] "Saudi is still China's top crude supplier," *Middle East Oil and Gas Review*, January 23, 2008, http://www.uofaweb.ualberta.ca/chinainstitute/

[46] Ibid.

[47] "China seeks 30 per cent more Saudi oil," *Middle East North Africa Financial Network*, November 10, 2007, http://www.uofaweb.ualberta.ca/chinainstitute/nav03.cfm?nav03=70931&nav02=57598&na

[48] Julian Madsen, "China Makes Friends in the Gulf," October 30, 2006, http://www.asiasentinel.com/index2.php?option=com_content&task=view&id=242&pop=...

[49] Hassan M. Fattah, "Avoiding Political Talk, Saudis and Chinese Build Trade," *New York Times*, April 23, 2006.

[50] "China's largest oil producer to sell refinery stake to Saudi Aramco," *Agence France Presse*, November 21, 2006,

giant signed a memorandum of understanding with Sinopec undertaking to supply one million barrels per day to its Chinese counterpart and its affiliates by 2010.[51]

With 58 per cent of its oil imports coming from the Middle East, China has been conscious of the need to lessen such a high degree of dependency by adopting a global strategy of geographical diversification of supply and acquisition of equity stakes in foreign oil/gas fields.[52] Resultantly, its firms own such shares in 20 different countries.[53] However, it simply cannot afford to stray too far from the Middle East, where two-thirds of the world's known oil reserves are located. Meanwhile, reserve-to-production ratios show that the reserves of non-Middle Eastern producers are rapidly diminishing, as are China's own reserves.[54] The future of the Chinese economy will remain inextricably linked to continued access to Middle Eastern oil, and no other country in the region will be as critical as Saudi Arabia, which is already China's largest global supplier.

Burgeoning Economic Ties

Although oil is undoubtedly the most important factor underpinning Sino-Saudi relations, it is by no means the only area where the interests of the two countries converge. Ever since the establishment of diplomatic relations in 1990, concerted efforts have been made in Beijing and Riyadh to broaden their overall gamut of economic ties, with the process gathering considerable pace over the course of the last decade.

The trade volume between the two countries has increased from US$ 290 million in 1990 to US$ 5.1 billion in 2002. Out of it, China's exports and imports valued US$1.67 billion and US$ 3.43 billion respectively. China's exports to Saudi Arabia comprised garments, mechanical and electronic products, and textile related items. Beijing's imports from Riyadh included crude oil, liquefied petroleum gas and primary plastic. To address the trade deficit which is rare in China's economic relations with other countries, China adopted a number of measures. In 1989, the China Council for the Promotion of International Trade held arranged fairs to promote Chinese exports to Saudi Arabia. By the end of 2003, six such fairs had been held. Parallel with this, the two countries established Sino-Saudi Joint Commission on Economic, Trade and Technological Cooperation which held its meetings in February 1996 in

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http://www.uofaweb.ualberta.ca/chinainstitute/nav03.cfm?nav03=53326&nav02=43875

[51] Ibid.

[52] John, "The Risks and Rewards of China's Deepening Ties with the Middle East".

[53] Ibid.

[54] Ibid.

Beijing and in November 1999 in Riyadh. Later in August 2001, the trade office of the Saudi Embassy in China was established.[55]

Saudi Arabia is currently China's tenth-largest importer and largest crude oil supplier, while China is Saudi Arabia's fourth-largest importer and its fifth-largest exporter.[56] Chinese industrial goods are increasingly displacing Western products in Saudi markets, thereby affecting Saudi attitudes towards the relative importance of the U.S. and China to the Saudi economy. China's economic penetration not just into Saudi Arabia but also the rest of the countries of the Persian Gulf could become even deeper if Beijing's plans to sign a free-trade agreement with the Gulf Cooperation Council (GCC) achieve fruition.[57]

During the first 11 months of 2005, two-way trade between China and Saudi Arabia passed the US$14 billion mark, a nearly 60 per cent increase over the same period a year earlier and nearly nine times the figure six years ago.[58] It is estimated that bilateral trade will rise to US$40 billion in the next four to five years.[59] While the multi-million dollar oil contracts form the bulk of these mushrooming trade figures, the most visible signs of economic links between the two countries, can be found in Saudi Arabia's shopping malls — "steel, marble and glass palaces increasingly crammed with clothes, shoes and gewgaws with a "Made in China' label".[60]

In June 2007, the two countries signed an agreement in Riyadh allowing Chinese construction enterprises to tender for projects directly in Saudi Arabia, with visiting Chinese Assistant Minister of Commerce, Chen Jian, affirming that the memorandum of understanding on engineering projects would "boost bilateral cooperation in economics and trade."[61] As a result of this agreement, China's Guizhou Hongfu Industry and Commerce Company, a leading chemical firm, secured a US$350 million contract to construct a concentrator in Saudi Arabia, capable of producing 12.5 million tons of phosphorous ore.[62]

For its part, Saudi Arabia has also demonstrated a willingness to invest more heavily in China. In July 2007, a leading Saudi clothing company launched a US$50 million cotton spinning project in China's Xinjiang

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[55] Ministry of Foreign Affairs, People's Republic of China.

[56] Abdul Rauf Colachal, "China-Saudi Cooperation," *Daily Muslims*, December 13, 2007.

[57] Ibid.

[58] David A. Andelman, "The Sino-Saudi Connection", April 17, 2006, http://www.forbes.com/global/2006/0417/018.html

[59] Colachal, "China-Saudi Cooperation".

[60] Andelman, "The Sino-Saudi Connection".

[61] *Xinhua*, June 25, 2007.

[62] "Chinese chemical giant tenders winning bid for Saudi phosphorus project," *People's Daily*, November 30, 2007.

province.[63] Prior to this project, the company had already invested US$200 million in its five subsidiaries in eastern China. In January 2008, Saudi Arabia provided a loan of US$25 million to assist an education project in northwest China's Gansu province.[64] Saudi Prince Waleed bin Talal, one of the world's richest men, has also expressed his interest in investing in China's consumer and energy sectors. During the prince's visit to China in April 2007, his Kingdom Hotel Investments pumped in US$58 million into a hotel near Shanghai and the prince discussed with Chinese officials the possibility of bringing in funds from Saudis keen to tap into China's expansion but possessing little knowledge of the way in which the country worked.[65] Waleed presently has 15 hotels operating in greater China and Taiwan and, together with a group of Saudi investors he won a US$300 million stake in the Bank of China in 2006.[66]

Increased economic cooperation between China and Saudi Arabia, apart from their desire to have a mutually beneficial relationship, must also be seen within the framework of an overall convergence of interests between China and the larger Arab world. A strategic economic partnership has metamorphosed between them in the form of the China-Arab Cooperation Forum, established in 2004, with China having signed bilateral economic, trade and technology agreements with 21 Arab countries and treaties for protection and promotion of investments with 16 such countries.[67] Between January and August 2007, trade between China and the 22 member states of the Arab League jumped by 29.6 per cent from the same period the previous year to reach US$55.08 billion.[68] China has invested more than US$6 billion in the Arab world and the latter has responded by investing US$1 billion in China as of June 2007.[69]

Diplomatic Confluence and Military Collaboration

It is unlikely that China can supplant the U.S. in the foreseeable future as the predominant external player in the Middle East, or even replace the U.S. as Saudi Arabia's number one ally. However, there is no question that Beijing will step up its efforts both to acquire greater influence in the region as well as a closer relationship with Riyadh. Its progress thus far has been impressive,

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[63] "Saudi Arabian garment company makes hefty investment in China's cotton base," *People's Daily,* July 16, 2007.

[64] *Xinhua*, January 7, 2007.

[65] Benjamin Kang Lim and Emma Graham-Harrison, "Saudi billionaire eyes China consumer, energy sectors," *Reuters*, April 5, 2007.

[66] Ibid.

[67] "China and Arab countries forge strategic economic partnership," *People's Daily*, December 19, 2007.

[68] Ibid.

[69] Ibid.

assisted undoubtedly by the fact that since 9/11, relations between the Arab world and the U.S., in general, and the U.S. and Saudi Arabia, in particular, have been subjected to major strains.

Ever since the events of September 11, 2001, when it was alleged that fifteen of the nineteen individuals who carried out the attacks in New York and Washington were Saudi nationals, there has been an ever increasing crescendo in the American media, academia, and even some segments of the administration against Saudi Arabia's perceived lethargy in fighting terror and accusations of actual Saudi complicity in inciting and facilitating terrorism have become commonplace. Saudi internal governance structures and the country's lack of democracy have also become objects of American criticism and even ridicule. For the Saudis, growing American animosity has raised doubts about America's dependability as an ally, and even bred fears about long term U.S. intentions regarding Saudi Arabia. There appears to be a growing realisation in Riyadh that it can no longer rely on the U.S. as the sole guarantor of its security and must, therefore, diversify its diplomatic and military portfolios. It is this search for less troublesome allies that has brought Saudi Arabia closer to China, which many regard as the eventual challenger to the U.S. for the leadership of the world.

A major factor promoting better diplomatic ties between China and Saudi Arabia is the fact that unlike the U.S., the Chinese have no wish to change the Arab way of life or to impose their own forms of governance on those with whom they interact. In fact, China has been highly critical of U.S. attempts to "democratise" the Middle East by transplanting its own view of democracy, human rights and liberal values to the region. China's own no-strings-attached approach has, and will continue to pay, rich dividends, not just in the energy and trade sectors but also potentially in the arena of military cooperation. Anti-Saudi sentiment in Washington could increase, particularly if a Democrat wins the White House in the American presidential election due in November 2008. A drying up of the sale of sophisticated weaponry from the U.S. or possibly even the threat of an American seizure of Saudi oil fields might well prompt Saudi Arabia to break its military dependence on the U.S. by acquiring arms from other sources or deter a possible attack by aligning itself with a nuclear power. In both scenarios, China could play a pivotal role.

China already has military ties with several countries in the Middle East and is cognizant of the possibility of expanding influence within the region through a greater supply of military hardware. However, most sales thus far have been made to rivals of the U.S. such as Iran, Syria and the Sudan, none of whom require American permission before purchasing arms.[70] Saudi

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[70] See "Analysis: Mideast oil and Chinese Arms," *United Press International*, October 26, 2007,
http://www.upi.com/International_Security/Industry/Analysis/2007/10/26/analy

Arabia, on the other hand, has had to bear the consequences of making the U.S. its chief security guarantor. American pressure has consistently prevented greater military cooperation between Beijing and Riyadh and there have been no major purchases after the sale of the CSS-2 intermediate range missiles in 1988. However, the cooling of relations between the U.S. and Saudi Arabia post-9/11 has now brightened the prospects for greater collaboration between China and Saudi Arabia in the military sphere. Already, the Saudis are believed to be looking at Chinese-made ballistic missiles such as the CSS-6 (DF-15).[71] Playing the "China card", especially in terms of military sales, could be used to good effect by the Saudis both to make the Americans tone down their criticism of Saudi Arabia's internal political structures as well as to make sure the supply of American weaponry does not dry up.

Cultural Relations

In spite of considerable convergence on the diplomatic and economic fronts, cultural links between China and Saudi Arabia remain virtually non-existent. The absence of such linkages has much to do with the stark civilisational and ideological differences between the two countries; while Saudi Arabia adheres firmly to the rigidly orthodox *Wahhabi* brand of Islam and makes no distinction between religion and politics, China still remains a Communist country in which religion has nothing to do with state affairs. The two countries also have no cultural similarities and the prospects for improvement on the cultural front are fairly bleak on account of the fact that common cultural expressions such as music, dance, theatre and cinema are proscribed by the deeply conservative Saudi state. It is, therefore, very unlikely that there can be any real progress in improving cultural ties between the two countries in the foreseeable future.

Conclusion

Relations between the Peoples Republic of China and the Kingdom of Saudi Arabia have grown considerably since the rancorous days of the Cold War, when their diametrically opposed ideological moorings prevented the two countries from building up a constructive relationship. Over the last two decades, however, ideology has given way to pragmatism; while China still remains a communist country and Saudi Arabia continues to perceive itself as the world's foremost bastion of Islam, the compelling dictates of a profoundly altered (since the end of the Cold War) world order has brought the two

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sis_mideast

[71] Dan Blumenthal, "Providing Arms: China and the Middle East," *Middle East Quarterly* (Spring 2005), http://www.meforum.org/pf.php?id=69

countries closer together. Amongst those dictates are vitally important economic interests, with China in desperate need of Saudi oil and the Saudis in turn eager to invest in China's booming economy. Trade and commercial ties can be expected to grow significantly in the years to come. On the diplomatic front, the criticism of the Saudis in the U.S. after 9/11, even to the extent of advocating regime change in Riyadh, has compelled Saudi Arabia to look around to diversify its friendships; instead of remaining a complete American satellite, as has been the case thus far for almost six decades. This hunt for new partners to offset American pressure has led to vastly improved diplomatic relations with China, a country poised to challenge American hegemony in the not too distant future. The greater the criticism from Washington regarding Riyadh's lack of democracy or its perceived abuse of human rights or its alleged support to radical religious groups, the more favourable will be the chances of Saudi Arabia reducing its dependence on the U.S. and moving closer to other influential countries such as China. While China cannot reasonably expect to replace (not that it has ever expressed a desire to do so) America as Saudi Arabia's foremost international patron, it can be fairly hopeful of continuing to improve relations with the world's largest oil producer and one of the most important countries of the Islamic world.■

Pacifying Conflict Through Economic Interdependence: Prospects In The Case of Jammu and Kashmir

Moeed Yusuf and Nazia Hussain[*]

Abstract

The need for an "out of the box" thinking to resolve the India-Pakistan dispute over Jammu and Kashmir finally seems to have dawned upon the leadership on both sides. The potential for economic interdependence promises much in terms of a breakthrough. The article highlights the key avenues for cooperation between Indian and Pakistani Kashmir. We argue that future cross-border economic collaboration through joint ventures and a social "spill over" effect could create sufficient economic interdependence to pacify political tensions. Key sectors identified for cooperation are natural resources, tourism, power generation, transport, information technology, education, and poverty alleviation. Although somewhat unique to literature on economic interdependence, collaboration in these sectors presents the best opportunity to ensure integration, which in turn could help pacify political tensions.

Introduction

*T*he single most contentious dispute linked to wars and crises between India and Pakistan is territorial accession over the state of Jammu and Kashmir. It led to armed conflicts in 1948, 1965, and 1971, and near war crises in 1987, 1990, and 2001-2002. The dispute has its roots in the partition of the British subcontinent. Jammu and Kashmir was among the largest of the 562 princely states in India, whose Hindu ruler, Mahraja Hari Singh, opted to join India despite the fact that Pakistan saw his decision as being defiant of the guiding principles of partition, namely religious majority and geographical contiguity.[1] Pakistan opposed Jammu and Kashmir's accession to India arguing that the partition guidelines stipulated for provinces, though not formally applicable to princely states, still put the moral burden on Jammu and Kashmir's ruler to weigh in the fact that his state was 78 per cent Muslim and

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[*] Moeed Yusuf, Fellow, Frederick S. Pardee Center for the Study of the Longer-Range Future, Boston University; Nazia Hussain, independent researcher based in Canada.

[1] For details of the events at partition, see Sumantra Bose, *Kashmir: Roots of Conflict, Paths to Peace* (Cambridge: Harvard University Press, 2004), 30-42.

that its geographical contiguity was much more pronounced with present-day Pakistan. India, however, maintained that the Maharaja had the legal right to decide on behalf of his people and thus his decision– this was notwithstanding the fact that he made the choice reluctantly as a precondition for Indian support against an advancing force of Pakistani tribesmen and contrary to his preferred choice of independence – legally made Jammu and Kashmir a part of India.[2]

Mutual mistrust has led to tight controls by Pakistan and India over Kashmir; until recently, the two parts of Jammu and Kashmir were completely separated from each other. The Pakistani part of the state has been officially demarcated as two administrative units: "Azad" state of Jammu and Kashmir and Federally Administered Northern Areas (FANA). The economy is markedly rural, agricultural productivity is declining, unemployment rates fall between 35-50 per cent, and per capita incomes are low.[3] Indian Kashmir comprises of three regions: Jammu, Kashmir and Ladakh. For administrative purposes, the Indian part of the state has been divided into Kashmir with eight districts (including two districts of Ladakh region) and Jammu with six

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[2] In the period leading up to and immediately after partition, a series of fast faced events eventually culminated in a Muslim rebellion which broke out against the Kashmiri ruler's anticipated accession to India. Allegedly backed by the Pakistani state, Pakistanis from across the newly formed international border advanced into Jammu and Kashmir and managed to capture the western part of the state before the Indian military intervened and caused Pakistan to deploy regular forces, eventually leading to the first India-Pakistan war in 1948. A ceasefire was ultimately brokered by the UN on January 1, 1949 with the ceasefire line leaving 62 per cent of the territory, including the prize region of the Kashmir Valley with India and the remaining with Pakistan. For a detailed discussion of the Muslim rebellion and its role in the Maharaja's decision to accede, see V Schofield, *Kashmir in Conflict: India, Pakistan and the Unending War* (London: I.B. Tauris, 2003), 41-61.

[3] Per capita income for Pakistani Kashmir stands between US$ 185-200 while for Northern Areas, it is approximately US$ 120. Furthermore, despite an increase in the number of industrial states over the years, industrial activity has been sluggish and minimal. Azad Jammu and Kashmir accounts for only 1.5 per cent of national output. See for example: World Bank, "Technical Annex for a proposed credit in the amount of SDR 281.8 million (US $ 400 million equivalent) to the Islamic Republic of Pakistan for an earthquake emergency recovery credit," (Washington D.C: World Bank, December 5, 2005), http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2005/12/07/000012009_20051207101404/Rendered/PDF/t76640rev0pdf.pdf; Shankar Aiyar, "The Nation: Kashmir Economy," *India Today*, October 14, 2002; "Northern Areas of Pakistan: Profile," Planning and Development Department, Northern Areas, Gilgit, Government of Pakistan,http://mail.comsats.net.pk/~sfpd/area_and_population.htm Government of Azad Jammu & Kashmir, "State Profile: Introduction" , http://www.ajk.gov.pk/site/index.php?option=com_content&task=view&id=2257&Itemid=144

districts. It fares no different: economic growth rates are lower than the national average, industrial development is slow, unemployment rates are high, and human development indicators are abysmal.[4]

Despite persistent efforts to find a resolution to the Kashmir dispute, the debate has traditionally revolved around concerns regarding territoriality, sovereignty, principle of equality, and moral legitimacy. However, failure of traditional paradigm has recently led to some out of the box thinking that entails the possibility of accelerating economic development and strengthening interaction in the two parts of divided Kashmir, both independently of each other as well as in a cooperative framework.[5] The hope, based on the liberal theory of economic interdependence, is that over time such an approach would integrate economies and peoples on both sides, thus forming a potent constituency in support of permanent normalization. Presently, the debate is being conducted in a vaguely defined framework. This is partly due to the minimal economic interaction between Indian and Pakistani Kashmir[6] at present that makes it premature to determine whether the theoretical premise holds. While inevitably futuristic in nature, what is required for informed policy making is an effort to analyze the theoretical debate in economic interdependence literature and determine how future economic development and cooperation could be tailored to ensure that interdependence impacts political tensions positively.

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[4] Economic growth rates in the state, much lower than national average, record per capita net state domestic product growth at 12.45 per cent (at nominal prices) from 1980-2000. See Planning Commission, Government of India, "Jammu & Kashmir Development Report (Executive Summary)," undated,
http://planningcommission.nic.in/plans/stateplan/sdr_jandk/sdr_jkexecutive.pdf

[5] In the past four years, Pakistan and India have concluded a formal ceasefire (November 25-26, 2003) on the LoC, initiated a bus-service between Muzaffarabad and Sri Nagar, agreed to do the same for the Rawalakot - Poonch route, opened five LoC crossing points in the aftermath of the earthquake, and have begun a cross-LoC trade service for goods produced within Jammu and Kashmir. Celeste Le Roux, "Strengthening Cooperation Across the Line of Control: Assessment of Areas for Further Inspection," *Pugwash Conferences on Science and World Affairs*, concept note, July 2006, 1-2; V. Mohan Narayan, "Bus to Muzaffarabad from April 7," *Rediff News*, February 16, 2005; Mubarak Zeb Khan, "Pakistan and India to Allow Trading of Raw Products Only," *Dawn* (Islamabad), May 31, 2006; "Kashmir Rivals Reopen Trade Route," *BBC,* October 21, 2008.

[6] We have used the term "Pakistani Kashmir" to refer to the part of Jammu and Kashmir under Pakistani control (not including the Pakistani Northern areas, which are mentioned separately wherever appropriate, "Indian Kashmir" to reflect the part of the state under Indian control, and "Kashmir" and "Jammu and Kashmir" interchangeably to represent the entire area on both sides of the Line of Control, excluding the Northern Areas.

Our policy oriented study seeks to fill this void. We discuss various potential avenues for economic cooperation, providing specific details of how future development and interdependence across sectors could be tailored to ensure a positive correlation between economic interdependence and conflict. By focusing on conserving natural resources, tourism, power generation, transport infrastructure, and developing human resources across the Line of Control (LoC) – the LoC demarcates the respective territorial jurisdiction of Pakistan and India, in Jammu and Kashmir[7] —   an interdependent regime would develop which in due course may allow economic collaboration to act as a pacifier of political tensions. The paper proceeds with a theoretical analysis of economic interdependence and conflict. Next, we conduct a detailed discussion of various avenues for economic development in Pakistani Kashmir and the potential initiatives where Pakistani and Indian Kashmir could cooperate with each other. Subsequently, an empirical discussion is carried out in the light of the theoretical arguments highlighted in the early part of the paper. We do so to establish whether the form of interdependence envisioned in Jammu and Kashmir is likely to ameliorate political tensions.

Interdependence and Conflict: The Theoretical Debate

In its broadest sense, the linkage between economic interdependence and conflict[8] has received tremendous attention in literature. The interpretation of the terms "interdependence" and "conflict" vary greatly, and are important to understand. By and large, interdependence is understood as a multifaceted interaction between states entailing costs and benefits.[9] Two variants of the term are common: "sensitivity" and "vulnerability". Sensitivity interdependence refers to a condition where economic conditions in one country are contingent on economic events or conditions in another country. "Vulnerability" interdependence reflects a type of interaction where a rupture or breakdown of the relationship would end up being extremely costly for

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[7] The LoC is a somewhat modified version of the original ceasefire line established after the 1948 conflict over Kashmir. As it stands, the line was agreed upon by Pakistan and India after the 1971 India-Pakistan war.

[8] The term "conflict" is also used in varying terms. Most often, it is used in a broader sense than simply to refer to armed conflict. Even heightened political tensions or volatile situations short of armed combat, but ones that may eventually lead to the same are also encompassed in the term as it is used in relevant literature.

[9] R.O. Keohane and J.S. Nye, *Power and Interdependence* (Boston: Little Brown, 1977), 9.

both parties.[10] In essence, the two differ in the kind of costs entailed in case the economic relationship is disrupted.

The discourse in the interdependence-conflict literature is largely grounded in a realist-versus-liberal paradigm. The liberal view predicts that trade will inevitably reduce conflict.[11] Liberal trade theorists premise their arguments on the belief that trade is inherently beneficial for countries as it brings efficiency gains for producers, consumers, and governments. In an influential piece, economists Polachek and McDonald (1992) argue that trade and investment act as channels that communicate interests and preferences between trading partners on issues that go beyond the trade ambit.[12] The "pill over" effect of trade implicit in their argument is a theme frequently propounded by liberal theorists.[13] In essence, proponents argue that by increasing the economic incentive for peace, interdependence brings amelioration of interstate conflict as a welcome political externality.

The realist perspective provides an antithesis to the liberal argument. Realists either argue that trade has no effect on conflict, or suggest that trade can generate conflict.[14] According to proponents of this argument, the decision to trade or go to war depends on the potential returns from trade and the future expectations of the level of trade. Addressing the lack of theoretical understanding of how economic interdependence influences the decision by nations to engage in political conflict, noted political scientist, Dale Copeland (1996) suggests that high interdependence can be either peace-inducing or war-

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[10] Edward D. Mansfield and Brian M. Pollins, "Interdependence and Conflict: An Introduction," in *Economic Interdependence and Conflict,* ed., Edward D. Mansfield and Brian M. Pollins (Ann Arbor: University of Michigan Press, 2003), 11.

[11] Perhaps the most comprehensive overview of the liberal position is provided by J.S. Nye, *Peace in Parts* (Boston: Little Brown, 1971).

[12] S. W. Polachek and J. A. McDonald, "Strategic Trade and the Incentive for Cooperation," in *Disarmament, Economic Conversion, and Management of Peace,* ed., M. Chatterji and L. R. Forcey (Westport: Praeger, 1992), 273-284.

[13] Writers on integration theory often argue along these lines. See for example, E.B. Has and P.C. Schmitter, "Economics and Differential Patterns of Political Integration: Projections About Unity in Latin America," in *International Political Communities: An Anthology* (Garden City, New York: Doubleway Anchor Books, 1966), 259-99.

[14] For detailed discussions on the view that trade has no effect on conflict, see Norrin M. Ripsman and Jean-Marc F. Blanchard, "Commercial Liberalism Under Fire: Evidence from 1914 and 1936," *Security Studies 6* (1997): 4-50; and Jack Levy, "The Causes of War: A Review of Theories and Evidence," in *Behavior, Society and Nuclear War*, ed., P. E. Tetlock, et al. (New York: Oxford University Press, 1989), 209-333. For the view that trade can generate conflict, see K.N. Waltz, "The Myth of National Interdependence," in *The International Cooperation*, ed., C.P. Kindleberger (Cambridge: MIT Press, 1970).

inducing depending on the expectations of future trade.[15] Moreover, unlike the liberal viewpoint, realist theorists contest that a state's choice between conflict and trade would be based on relative, not absolute, trade benefits. If a country perceives the other to gain much more from trading, it would deem it in its interest not to liberalize trade. A good example of this is the case of India and Pakistan, where the latter has shown reluctance to grant India Most Favoured Nation (MFN) status since the potential gains from trade are likely to be significantly higher for India.[16]

A qualified liberal view that disentangles the impact of different aspects of interdependence by explaining the seeming disconnect between the two positions is presented by the liberal theorist, Mark Gasiorowski (1986).[17] He argues that the opposing perspectives stem from the disparate viewpoints from which the two sides approach the issue. Since economic interdependence has both costly and beneficial aspects, liberal theorists inevitably choose to focus on the benefits to arrive at their conclusions. Realists, on the other hand, limit their focus on the costs entailed for the most part. In essence, this implies that the ultimate balance between the costly and beneficial aspects of interdependence determines whether the liberal or realist contention holds in any particular case. Countries between which economic interaction leads to an expansion of the beneficial aspects are likely to conform to the liberal theory. Therefore, if both sides see a substantial decline in trading costs, high social benefits, and low restructuring costs, economic interdependence may well have the pacifying effect that liberal theorists point to.

On the contrary, if a country believes that trade with another state is likely to increase unemployment and poverty, or the required macroeconomic restructuring entails costs that far outweigh the benefits, it may choose to pull out of the relationship.[18] In fact, as international relation theorists argue, this may even add to political tensions between the two sides.

Consequently, the liberal model envisions stakes in perpetuating an economic relationship that are high enough for states not to contemplate a

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[15] Copeland develops a theory of trade expectations to explain the interdependence-conflict linkage. See, Dale C. Copeland, "Economic Interdependence and War: A Theory of Trade Expectations," *International Security 20*, no.4 (Spring 1996): 5-41.

[16] For a discussion of the bottlenecks and expectations from the India-Pakistan trade equation, see Moeed Yusuf, "Using Trade as a Driver of Political Stability: Prospects in the Indo-Pak Context," *Criterion* 2, no.3 (July-September 2007): 3-33.

[17] Mark J. Gasiorowski, "Economic Interdependence and International Conflict: Some Cross-National Evidence," *International Studies Quarterly 30*, no. 1 (March 1986): 27.

[18] Katherine Barbieri, "A Recommitment to Social Science: Assessing the Hurdles in the Trade-Conflict Debate," Vanderbilt University, undated, http://psweb.sbs.ohio-state.edu/faculty/bpollins/book/BarbieriOSU.pdf.

reversal. Essentially, those subscribing to the liberal argument on the issue are looking for a mass constituency dependent on continued interdependence and integration to retain benefits. Greater efficiency gains could bring this about; if the interaction continues for long enough, a domestic pressure group comprising of those directly benefiting from the arrangement will be created. At the individual level, interdependence results in a social "spill over" by increasing people-to-people contact, which in turn is believed to allow cooperative political relations.[19]

There is one factor that may suggest that the applicability of the theory of economic interdependence to Kashmir is problematic, i.e., the nature of the economic interaction between Pakistani and Indian Kashmir constitutes an arrangement that involves territories that are part of the respective states, not states themselves. The unit of analysis in global literature on economic interdependence is essentially the "state". Little attention has been paid to determine if such analyses hold for sub-state economic interaction as well. Interestingly, Kashmir is a "hybrid" case whose unique status within Pakistan and India allows the application of the theory without any fundamental adaptation. If the analysis is isolated from the broader context on Pakistan-India economic relations by testing interdependence theory solely in terms of economic interaction that is strictly limited to exchange of goods and services indigenous to Kashmir, trade between Pakistani and Indian Kashmir acts as an inter-state case for all practical purposes. We endeavour to do so in this paper by limiting our analysis strictly to Jammu and Kashmir. This is not to imply that one can divorce the discussion from the overall political context of the two countries. Indeed, the extent to which Pakistani and Indian Kashmir would be able to collaborate economically is a function of the prevailing political environment in the region. Therefore, while we divorce the analysis from the India-Pakistan economic equation to a large extent, the political equation dictates what we consider as realistic in the inter-Kashmir context.

The Scope for Economic Interdependence in Jammu and Kashmir

Although the concept of economic interdependence refers to all forms of economic interaction between states, an overwhelming majority of present literature focuses solely on trade in goods, either ignoring the potential for investment, joint ventures, and services trade, or simply treating the two

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[19] Michael W. Doyle, *Ways of War and Peace: Realism, Liberalism, and Socialism* (New York: W.W. Norton. 1997), ch.8.

together as part of an overall relationship.[20] From our perspective, this is a key missing link, since treating these two facets of economic interaction distinctly may allow us to highlight the nuances that an "aggregated" level analysis would inevitably overlook. Specifically for Kashmir, a disaggregated analysis may well end up highlighting high potential in one form of interaction, and not in the other. Moreover, the policy prescriptions for the two are usually quite discrete. Therefore, we look at trade in goods and investment in joint collaboration opportunities separately.

Exploring Interdependence Possibilities: Static versus Dynamic Approach to Trade between Pakistan and Indian Kashmir

Trade potential between Indian and Pakistani Kashmir offers little promise when analyzed within a static framework. Not only is trade between both parts negligible at present – the trade routes between Indian and Pakistani Kashmir were only opened in October 2008 for the first time since partition and that too for a limited basket of items.[21] But the data on trade potential is not encouraging either. Total export potential of Indian Kashmir is US$372 million, while that of Pakistani Kashmir is even lower.[22] While the import demand for both sides is higher, it is meaningless in the bilateral equation, given that the lower export potential of each side would automatically limit the maximum importable volume for each. Even if both sides were hypothetically to consume the other's entire surplus, the total trade potential would be a negligible amount of less than US$674 million.[23] Furthermore, the scenario is unlikely to change as eliminating products that are either being produced indigenously across the LoC or can be obtained at cheaper rates from either Pakistan or India (or any third country) — these being items in which the price differential or lack of demand makes inter-Kashmir trade unrealistic- removes most value added products. Indeed, a number of existing analyses confirm that

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[20] Barbieri, "A Recommitment to Social Science".

[21] "New Peace Hopes as Kashmir Trade Route Opens," *CNN*, October 21, 2008, http://www.cnn.com/2008/WORLD/asiapcf/10/21/kashmir.trade/index.html

[22] This figure is contained in a document prepared by the Kashmir Chamber of Commerce and Industry. The figure was most recently quoted by The Press Trust of India, "JK Economy to Boom with Rs. 1500cr Exports," June 11, 2007.

[23] The scenario does not change considerably even if informal trade is factored into the equation. Trade volume is reported to be a mere US$ 544 million; with insignificant exchanges across the LoC (this would constitute inter-Kashmir informal trade), Study by Islamabad based Sustainable Development Policy Institute (SDPI); Shaheen R. Khan, et al., "Quantifying Informal Trade Between Pakistan and India," in *The Challenges and Potential of Pakistan-India Trade*, eds., Zareen F. Naqvi and Philip Schuler (Islamabad: World Bank, 2007), 83-100.

in the final outcome cross-LoC trade is likely to end up focusing on primary products. For Indian Kashmir, the key export items include textile products, carpets, cricket bats, cheap leather goods, walnut and walnut kernels, apricot nuts, almond, coriander, saffron, lentils, fluxes and chemicals, basic drugs, and sewing machines. Pakistani Kashmir's major exports include marble, apricot, rice, onion, garlic, and fertilizers. In addition, the handicraft industry forms a major production component of the economies on both sides. The above said, current projections suggest that bulk of the trade is likely to be confined to a much smaller set of items, with horticulture exports going from Indian Kashmir and vegetable and fertilizer exports flowing from Pakistani Kashmir.

The above said, the current state of cross-LoC interaction in terms of trade does not suggest a failure of the liberal argument. Trade volumes have simply never reached levels that may allow an objective examination of the theoretical premise. Not taking away from the fact that product differentiation would require the structures of the two economies to be fundamentally altered, a dynamic approach aimed at maximizing gains by exploring avenues that would increase cross-LoC interaction inclusive of people-to-people interaction and is focused around common benefits for both parts of Kashmir is still possible. This could come about through a number of avenues: remove tariffs and para-tariff barriers — a positive beginning could be ensuring that the recent agreement on cross-LoC trade allows exchanges free of tariff and para-tariff barriers; conclude preferential trade agreements that allow for cross-LoC duty free access of raw materials and value added goods of Kashmiri origin, and institute an appropriate regulatory framework for tax breaks and simplified trade modalities. Furthermore, border markets could be established at designated points- three obvious locations being the Poonch-Rawalakot route, Uri, and Chakothi (all of them being current bus/truck routes)[24], and possibly at Kargil where a road link between Kargil and Skardu would potentially pass in the future.[25] These markets, could serve as retail hubs and a market place for traders on both sides to trade products, gauge consumer preferences, and cater to residents and tourists. Were a quota maintained for a certain proportion of rural producers (especially for agricultural producers) to set up retail stations in the markets, a highly desirable proposition, the mechanism will ensure easier market access for the rural poor with attendant anti-poverty benefits.

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[24] Le Roux, "Strengthening Cooperation," 3.

[25] Ibid., The Kargil-Skardu route has been identified, as it would end up creating economic interaction with an area that is essentially deprived of any commerce activity at present.

Of course, the trade facilitation framework suggested above cannot come on its own. Governments of both countries would need to include Kashmir in their global trade projection strategy and implement aggressive marketing strategies that promote Kashmiri goods to natives and foreign tourists.[26]

Prospects for Across - LoC Economic Cooperation

In terms of integrating the two sides of Kashmir, joint collaboration endeavours carry much greater value. Unlike commercial trade, where exchange of primary goods could theoretically take place without much interaction, joint frameworks necessitate integration of institutions, functional processes, and in an ideal scenario, the overall economies as a whole. Just like the goods trade ambit, there is no such interaction at the moment. Inevitably then, the following discussion takes a futuristic tone. We identify the key sectors that can potentially deliver tangible gains under a cooperative economic framework. We only highlight possibilities which can realistically be employed in the medium term future, keeping in mind the restrictions imposed by the India-Pakistan political context. A sector-wise analysis is conducted.

Conserving Natural Resources: Addressing Common Threats, Generating Economic Gains

Kashmir's natural resources are abundant and strategic: all three major rivers of Pakistan, the Indus, Jhelum, and Chenab, flow through Kashmir linking both countries; some of the most valuable albeit depleted forests of South Asia are in Kashmir; and some of the largest glaciers outside polar region are in the valley. Working towards sustaining the natural wealth of Kashmir would serve in three respects: addressing mutual threats, creating common ground and employing the conserved natural resources to generate economic gains, vis-à-vis tourism and power generation.

Conserving natural resources of Kashmir would entail environmental collaboration that targets conserving forest resources and cleaning up polluted waterways. Being the lower riparian, Pakistani Kashmir and Pakistan have much to gain from an environmental clean-up and thus have an inherent

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[26] To date, neither India nor Pakistan has fully included Jammu and Kashmir in their global trade projection strategy. Consequently, hardly any professional marketing entities or strategies exist on either side of the LoC and much of the exports are facilitated through individual contacts.

interest to cooperate with Indian Kashmiri authorities on the issue. Reports have indicated that there is already interest in collaborating on an environmental clean-up on both sides of the LoC.[27]

Inter-Kashmir cooperation on this front could include a joint environmental clean-up exercise and regular exchange of data on water flows and quality.[28] Notwithstanding ongoing efforts to clean Kashmir's water bodies, currently, all three-river tracks in Indian Kashmir are highly polluted and regularly used as dumps for human, animal, agricultural, and industrial waste.[29] Moreover, river catchments are heavily encroached.[30]

To exacerbate the situation, downstream pollution levels in Pakistani Kashmir and Pakistan are just as high. The economic costs of water pollution have resulted in decreased attraction of water fronts as tourist spots in addition to limiting the potential for the eastern tributaries, especially the Jhelum River as a trade channel.[31] Restoring this function would mean taking some pressure off the road network, at the same time as raising efficiency levels in transporting goods naturally suited to riverine transport (e.g. timber). Finally, the health impacts of contaminated water and resultant effects on households' poverty are negative spin-offs, which while not easily quantifiable, result in retarded economic growth. Since a joint clean-up initiative may require buffering water flows or temporarily rechannelling outflows, a political consensus on such collaboration must be reached in advance and the programme be configured within the framework of the Indus Water Treaty.[32]

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[27] Le Roux, "Strengthening Cooperation," 4-6.

[28] Schaffer, "Kashmir: The Economics of Peace Building," 51- 56.

[29] Most major water bodies in Indian Kashmir are severely polluted. Dal Lake, which benefits from water from these tributaries was once a major tourist attraction, but presently is suffering from high levels of water pollution. See American University's Trade Environment Database (TED) Project titled, "Kashmir Deforestation," *Case Study*, no. 365, http://www.american.edu/projects/mandala/TED/kashmir.htm. Also see, Wajahat Habibullah, "The Political Economy of the Kashmir Conflict: Opportunities for Economic Peacebuilding and for U.S. Policy," *Special Report 121,* (United States Institute of Peace), (June 2004): 9-10, For an example of efforts to protect water bodies such as Dal Lake, see, "As Insurgency Ebbs, Kashmir Looks to Save Dal Lake," *Reuters*, May 30, 2007,
http://www.alertnet.org/thenews/newsdesk/DEL19912.htm.

[30] Habibullah, "The Political Economy of the Kashmir Conflict," 10.

[31] In British India, Jhelum was a major channel for downstream trade flow to Punjab and Sindh. Human interference and solid waste dumping have taken away the riverine transport potential.

[32] The Indus Water Treaty is a legally binding umbrella agreement which dictates the terms of water sharing between Pakistan and India for Pakistan's three main rivers, Indus, Chenab, and Jhelum.

Conserving the valuable forests[33] that have contributed to construction and furniture industries of both India and Pakistan could take note from the Joint Forest Management (JFM) exercises practised by Nepal, India, and Pakistan.[34] In this light, the Muzaffarabad-Udhampur forest belt could be managed jointly. Even if security concerns do not allow communities to cross over the LoC as frequently as is needed for JFM in the near future, communities from both sides could interact intermittently to share best practices. They could jointly plan future initiatives regarding protection, harvesting, and regeneration. Civil society organizations with forest sector expertise, even if not Kashmir based, could be involved in guiding communities on formulating JFM plans.

Another option could be to involve the private sector through Public-Private Partnerships (PPPs) in the forest sector, an erstwhile state-quashed option that could assist in conservation efforts and provide sustainable livelihoods to resource dependent communities[35]. There is already some movement in various provinces/states in Pakistan and India to allow private sector involvement in this traditionally monopolized sector. The Sungi Development Foundation, a renowned Pakistani advocacy outfit, has taken the lead on introducing public-private partnerships in Pakistan and is now in the process of formulating a draft PPP strategy for the Ministry of Environment.[36] PPPs could lease land to cater to commercial demands for forest products as well as being extended to wastelands for plantations, agro-forestry, social forestry, breeding of wildlife, and conservation of biodiversity.

The ultimate objective of collaboration in forest preservation would be to revitalize resources for use in indigenous wood based industries. Granted, this would only be possible over the long run. However, once achieved, wood based industries on both sides could benefit the state's economy tremendously through furniture exports. Much of the exports would be destined for extra-Kashmir sources since the

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[33] Le Roux, "Strengthening Cooperation," 6. Areas near Muzaffarabad and Udhampur still maintain dense forest cover.

[34] Vishakha Maskey, et al., "A Survey Analysis of Participation in a Community Forest Management in Nepal," (Research Paper 2003-8, selected for presentation at the Northeastern Agricultural Resource Economics Association, Portsmouth, New Hampshire, June 8-10, 2003).

[35] Shaheen Rafi Khan, et al., "The Quest for Sustainable Forest Management: Exploring Public-Private Partnerships in the Forestry Sector in Pakistan" (Sungi Development Foundation, 2007).

[36] The author is collaborating with Sungi to analyze the political economy aspects of a policy advocating such partnerships in the forest sector.

forest species on both sides of the LoC, and therefore their uses, are virtually identical.

Generating Economic Gains: Tourism and Power Generation

Tourism

The direct casualty of lack of infrastructural development and environmental degradation has been the loss of tourism that was once the mainstay of the state's economy. The Neelam Valley on the LoC and the entire stretch of the Northern areas in Pakistan, and northern part of Indian Kashmir are prime tourist attractions. Pakistani Northern Areas are home to the Karakoram Range which includes K-2, the world's second highest peak. Pakistani and Indian Kashmir also house some of the longest glaciers outside the Polar Regions. Currently, no structured tourism industry exists in these areas, thus resulting in minuscule number of foreign tourists as compared to the potential. Reportedly, the number of tourists in Indian Kashmir has already picked up since the insurgency levels declined in the wake of the peace process.

Conserving natural resources and investing in attendant infrastructure development could help reap economic gains. Skiing resorts, facilities for water sports, building up road networks, five star hotels, communication system, banking facilities, and health facilities, all of international standards, could help Kashmir join the global tourist industry. With a direct road link to China and reports indicating that as many as 100 million Chinese tourists may be interested in joining the global tourist industry as clients in the immediate future, Kashmir could benefit immensely.[37] Additionally, museums narrating Kashmir's history could interest Chinese, Japanese, and other East Asian nations that trace back their roots to this region.[38]

The obvious gains from revitalizing tourism would be foreign exchange earnings that could be channelled towards economic development priorities. More important from the interdependence perspective is the potential for the tourism industry to enhance inter-Kashmir collaboration. Possibilities include joint travel packages, with provision for visits to sites across the LoC utilizing the Muzzaffarabad-Srinagar road link. This could be further facilitated by establishing a Joint

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[37] Shahid Javed Burki, "Tapping Kashmir's Economic Potential," *Dawn*, July 29, 2005.
[38] Ibid.

Travel Management Board.[39] Moreover, India could gain from its existing human capacity building track record to set up hotel management institutes in Srinagar where Kashmiris from both sides could be trained. At a later stage, a branch of the institutes could even be opened under management of trained inhabitants of Pakistani Kashmir in Muzaffarabad. Other more specific vocational training institutes for personnel to be involved in various capacities in the industry could be set up in urban towns on both sides of the LoC.

Power Generation

Addressing the need to conserve the rivers flowing through Kashmir would help the ecosystem as well as cater to needs of power strapped India and Pakistan. The total hydroelectric potential of Jammu and Kashmir's water resources is estimated at 15,000 megawatts, far surpassing the demand of Kashmir, northern India, and Pakistan.

The economic gains from collaboration on hydroelectricity projects are enormous. Pakistani Kashmir, despite possibilities of soon providing electricity to 100 per cent of the population experiences poor quality of transmission.[40] Thus far, the sensitivities surrounding the interpretation of the Indus Water Treaty and the mutual insecurities between Pakistan and India have not allowed any cooperation in power generation. Both countries are developing hydroelectric projects in close proximity to each other on opposite sides of the LoC, but without any collaboration. Shahid Javed Burki, a renowned Pakistani economist has suggested the need to have an integrated power grid to be based on an extension of the current distribution systems on both sides of the LoC.[41] In Burki's estimate, such a joint initiative could produce as much as 7,500 megawatts of additional power.[42] This arrangement, however, would require a sub-regional agreement that stipulates revenue sharing from export of surplus energy within the framework of the Indus Water Treaty and good offices of World Bank or any other international body.

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[39] A similar idea has been floated in Teresita C. Schaffer, "Kashmir: The Economics of Peace Building," *Center for Strategic and International Studies* (with the Kashmir Study Group), December 2005, 58.

[40] Government of Azad Jammu & Kashmir, "State Profile: Introduction."

[41] Shahid Javed Burki, "Kashmir: The Economic Option," *Dawn*, July 19, 2005.

[42] Burki, "Kashmir: A Problem," 46-47.

A less ambitious option could be to have a joint power generating project situated on the LoC.[43] Even this arrangement would have to undergo intense negotiations to ensure that both sides agree on observance of the Indus Water Treaty and equitable distribution of resources, output, and revenues. Notwithstanding the ultimate benefits from collaboration in electricity production in terms of fulfilling energy needs, monetary gains, the multiplier effect in terms of higher economic efficiency, as well as interdependence are huge.

Establishing Road Networks

Establishing road networks connecting Indian Kashmir, Pakistani Kashmir, and Northern Areas is an essential prerequisite for any programme of economic uplift and increased trade activity in Kashmir. The road corridors would lead to greater accessibility, reduced costs and time to reach markets, and larger market sizes; they would create an economic multiplier effect where increased product lines are available at lower prices.[44] At present, the road networks within the two parts of Kashmir have wide coverage, having progressed tremendously since 1947.[45] However, the quality of roads is a major concern: transport links across the LoC are abysmal, worsened by lack of maintenance and the conflict that has kept the existing routes closed.[46]

Recently however, the peace process has nudged both sides to reopen some of the traditional routes. In April 2005, the Srinagar-Muzaffarabad road link was opened and a bus service initiated. The recent commencement of cross-LoC trade that allows exchange of 21 products manufactured in Pakistani or Indian Kashmir has also facilitated the movement of commercial trucks along the route.[47] The proposal to initiate

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[43] Le Roux, "Strengthening Cooperation," 5.

[44] Jean-Paul Rodriguez, Claude Comtois and Brian Slack, *The Geography of Transport Systems* (London: Routledge, 2006), ch.7.

[45] Pakistani Kashmir has had the most phenomenal growth in its road network. Starting from a mere 265 kilometers of road in 1947, the majority of which was unmetalled, today the region's roads span 9,816 kilometers. Approximately 4,162 kilometers of these are metalled. See Government of Azad Jammu & Kashmir, "State Profile: Introduction," undated.

[46] At independence, the only transport links that existed were a road from Rawalpindi (Pakistan) to Muzaffarabad (Pakistani Kashmir) and on to Baramula and Srinagar (Indian Kashmir), and a rail and road link between the cities of Sialkot (Pakistan) and Jammu (Indian Kashmir) Shahid Javed Burki, "Tapping Kashmir's Economic Potential," *Dawn,* July 29, 2005.

[47] "Kashmir Rivals Reopen Trade Route," *BBC,* October 21, 2008,

a bus service from Rawalakot to Poonch continues to be delayed due to depleted road infrastructure connecting the route across the LoC.

While such initiatives are welcome, there is a need to enhance transport links both in quantitative and qualitative terms, especially for commercial vehicles. One potential route to be developed is the Kargil-Skardu road, which relevant authorities on both sides could do jointly (each one could develop the road on territory under its control). Prior to partition, Kashmir's transport network linked it to major cities in Pakistan, and not India. Pakistan has a natural advantage in utilizing its transport network to provide feeder services for Kashmir's trade for cost effectiveness. Indian Kashmir could transit its exports destined for the outside world through Pakistani Kashmir and onto Lahore, which could serve as the hub for onward movement of goods.[48] Indian Kashmir could also benefit from Pakistan's expanded road infrastructure to utilize port services at Karachi as well as trade directly with China through the economically feasible Karakoram Highway (KKH).[49] Moreover, plans to extend KKH have a tremendous bearing on Kashmir's access to Central Asia and on to Europe.[50] Since Indian Kashmir would be requiring access to Pakistani Kashmir, depending on the volume of trade flows carried along these routes and the net benefits accrued from using them, Srinagar may well exhibit "vulnerability interdependence" vis-à-vis Muzaffarabad simply by reconnecting transport networks across the LoC.

Developing Human Resources

The possibilities for interdependence also lie within developing neglected human resources of both parts of Kashmir. This could be done through addressing the poverty-ridden populace and investing in education and information technology (IT) sectors to produce high value work force.

With regard to economic interdependence, poverty reduction counts as a major "benefit" if flowing directly out of cooperation with the

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http://news.bbc.co.uk/2/hi/south_asia/7681320.stm.

[48] Lahore is a major commercial center in the province of Punjab in Pakistan and is located near the Indo-Pak border. Shahid Javed Burki, "Kashmir: A Problem in Search of a Solution," *Peace Works* (*United States Institute of Peace), no.59,(* 2007), 49.

[49] Burki, "Tapping Kashmir's Economic Potential."

[50] The plan to extend the KKH to establish a direct link with Central Asian states has been on the table for some time. Pakistan, China and Uzbekistan signed an agreement to establish a land route to connect the Central Asian States via Gilgit as far back as 1995. However, the proposal has not materialized thus far. See "Plan Shelved to Extend KKH to Central Asia," *Dawn*, March 23, 2003.

other side. One of the remarkable achievements specific to the Northern areas in Pakistan has been the high level of community mobilization through the Rural Support Programmes (RSPs). RSPs are micro-lending programmes targeting the poor and are also involved in rural infrastructure development in a number of villages.[51] The characteristic aspect of the RSPs is that village communities themselves are tasked to determine the deserving "Poor" and identify needed infrastructure development projects.[52]

Such a structure that addresses poverty and creates a mobilized community ought to be replicated extensively in Pakistani and Indian Kashmir. Indian Kashmir, where the insurgency has stifled any opportunity for developing a robust civil society, could especially gain from the RSP experience. This could be done through a unified RSP programme (or a similar one) which pools its entire funding and requires funding and community selection decisions through a joint board consisting of people from both sides of the LoC. If a significantly large number of beneficiaries are enlisted through extensive coverage, it may raise the costs of total disruption in cross-LoC relations beyond affordable limits.

As for the education and IT sectors, the 55-60 per cent literacy rate in Pakistani Kashmir surpasses national figures but the Northern areas report an abysmal 33 per cent overall literacy and even lower female literacy rate at 25 per cent.[53] In Indian Kashmir, the literacy level is 54.5 per cent, which is well below India's national average.[54] In the education sector, two potential avenues for collaboration exist. Both parts of Kashmir could initiate an exchange programme for a small quota of students between post-graduate institutions on both sides. The reputed University of Jammu could be an attractive site for students from Pakistani Kashmir. Any one of the 7 post-graduate colleges in

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[51] Shoaib Sultan Khan, "Poverty Reduction Strategy: Rural Support Programmes of Pakistan" (paper presented at a conference on South Africa and Pakistan: Growing Trade, Building Security, South African, Institute for International Affairs, Johannesburg, South Africa, November 8, 2006).

[52] A. Dastgeer, "Targeting the Poor: The RSPs Way," *Rural Support Programmes Network* (undated), 3; Mahmood Hasan Khan, *Methods of Assessment of Rural Poverty Projects and Program Impact: Handbook for Practitioners in Rural Support Programs* (Islamabad: Rural Support Programs Network, 2004), 2-4.

[53] Government of Azad Jammu and Kashmir, "State Profile: Introduction,"; Gross enrollment rates stand at a remarkable 95 per cent for boys and 88 per cent for girls, 27 per cent of the state's recurring budget and 10 per cent of the development budget is allocated to education.

[54] Burki, "Tapping Kashmir's Economic Potential".

Pakistani Kashmir could host Indian Kashmiris.[55] Student interaction at the academic level could help create frameworks for innovative prescriptions and appreciation of cultural similarities. Furthermore, both sides facing low quality standard of elementary education in rural areas could share their best practices and exchange master trainers who could serve short term tenures at teacher training institutes across the LoC at government and non government level. Arguably, the exemplary Pakistani Kashmir model for teacher training, if implemented properly, could foster positive change among the teaching cadre.[56] Indian Kashmir could replicate the same design and work with Pakistani educationists to address bottlenecks. The Non-governmental Organizations (NGOs) could provide training through distance education, train teachers in techniques that ensure creative learning, and serve as a management tool for effective planning for each school. These developments could take place through minimal exchange of personnel or even sharing of best practices in the near term but could increase to Pakistani managers "adopting" schools in Indian Kashmir and vice versa. Some of these initiatives are already being witnessed.[57]

The role of IT industry on both sides is multifaceted and could underpin the very success of the entire economic cooperation programme. The IT industry could become the mainstay of Jammu and Kashmir's marketing and information projection strategy, and ensure efficiency in trade deals and promote investor friendliness. Pakistani Kashmir could gain immensely from collaboration with Indian Kashmir with its nearly

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[55] Government of Azad Jammu & Kashmir, "State Profile: Introduction".

[56] Teachers are trained in public sector training institutes. In addition, the government offers curriculum integrating training courses to primary and middle school teachers, develops and distributes training packages, provides textbook training and evaluation for curriculum development, and improves the assessment and exams for teachers. Teacher trainer capacity building, continuous assessment (via district assessment cells) and training with guides and materials are also part of current government activities. For a detailed analysis of teacher training and related capacity building exercises in Pakistan, see UNESCO and USAID, "Situation Analysis of Teacher Education: Towards a Strategic Framework for Teacher Education and Professional Development- Pakistan," 2007 (see pages 18-19 for discussion on Northern Areas),
http://undp.un.org.pk/unesco/documents/ED/FINAL%20Situation%20Analysis-Strategic%20Framework%20for%20Teacher%20Education.pdf.

[57] Adopting schools is a practice that is fast becoming common to Pakistan. Even in the Northern Areas and Pakistani Kashmir, a number of NGOs have taken initiatives related to Teacher Professional Development. See for example, "Northern Pakistan Education Programme- EC Funded: Fact at a Glance," Agha Khan Education Service, Pakistan May 31, 2006.

10,000 skilled IT professionals,[58] a software technology park, and an Electronic Industrial State.[59] In contrast, the situation in Pakistani Kashmir and the Northern areas despite set up of an IT board is dismal. There is low awareness about the basic concepts of IT, skilled professional pool is inadequate, and software parks and learning centers are non-existent.[60]

Arguably, the demand for IT services on both sides of the LoC could be expected to increase tremendously once Kashmir transforms into a modern economy, and banking, e-commerce, and e-governance practices are instituted. Some measures that Pakistani Kashmir could initiate include: outsource assignments to utilize software development capacity in Indian Kashmir, request Indian IT professionals to teach at small IT training centers either remotely or through exchange programmes, and send IT students to study in proposed technology institutes in Indian Kashmir. The Indian side could help in setting up software technology parks and other such IT ventures in Pakistani Kashmir. Moreover, the establishment of clusters of basic IT service providers (call centre, transcription, etc.) — even if only at a small scale — could crowd in education and investment that provides a future to indigenous labour that would otherwise have to migrate outside the state for employment. Civil society involvement could be promoted specifically to address the supply chain of IT labour from education to entrepreneurialism and to find partners to provide seed funding to establish businesses on both sides of the LoC.

Revisiting Economic Interdependence in Kashmir's Context

Interdependence viewed within the prism of static trade-in-goods does not hold promise even if one were to include wishful figures of trading the entire produce from both sides. Neither does the current level of trade and joint collaboration across the LoC allow economic interdependence theory to be tested. This has led to basing our argument in futuristic terms to explore avenues where joint collaboration could potentially bear dividends.

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[58] Federation of Indian Chamber of Commerce and Industry, "Horticulture, Handicrafts & Handlooms, Tourism, IT and Biotech: FICCI Makes Focused Sector-wise Suggestions to Boost Investments in J&K," *Press Release*, May 19, 2006, http://www.ficci.com/press/86/jk.DOC.

[59] Ibid. Also, Indian Chamber of Commerce and Industry's recommendation to set up a technical university is being considered

[60] Government of Azad Jammu & Kashmir, "Departments: Business Rules," http://www.ajk.gov.pk/site/index.php?option=com_content&task=section&id=26

Indeed, the future holds promise, but more so in terms of creating interdependence through joint projects than trade in goods.

With regard to joint collaboration, we have highlighted sectors which could potentially lead to economic development, and more importantly nudge the two sides towards a high level of interdependence. Consider that much of the cooperation is built around the principle of mutual need and benefit on both sides. The entire emphasis on collaborative gains essentially removes the possibility of highly skewed relative gains, which may cause either side to reconsider the interaction — and according to realist theorists, even lead to an increase in political tensions. Further, while the economic gains from interaction in these sectors may not always be quantifiable, virtually all discussed avenues have a strong multiplier effect which would ultimately feed into both higher development as well as greater interconnectedness. Provided the cooperation continues for a sustained period, it is certain to lead to a structured interdependence that is favourable to maintaining peace. The optimistic picture for the future is further reinforced by the development related gains that are likely to accrue outside the strict ambit of mutual interaction.[61] Finally, since Pakistan and India are already attending to the urgent development requirements of their respective parts of the state of Jammu and Kashmir, the presented framework entails little additional costs.

The attendant favourable impact on poverty, unemployment, and other social attributes coupled with the enhanced interaction necessitated by the suggested joint ventures points to a strong possibility of a mass constituency for peace developing over the medium to long term. Given that gains from macroeconomic growth would lead to diversification of interests and trading partners, the growing needs for power, water and wood, and transport and tourism would sustain a burgeoning economy. Both sides are likely to continue to conform to the "Gross National Product (GNP) model" used to measure interdependence. Exploring this model, the well-known political scientist Barry Hughes (1971) argues in his seminal work

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[61] Shahid Javed Burki's ten-year economic development plan for Jammu and Kashmir built on the concept of mutual cooperation between the two sides predicts additional income of US$40 million, 9.5 per cent growth in the Gross State Domestic Product for both parts, and per capita income of US$745. The plan focuses on five sectors: hydroelectricity, tourism, human resources, forestry and horticulture, and physical infrastructure. Burki, "Kashmir: A Problem," 51-52.

that as long as the macroeconomic growth remains positive, increased interdependence with one state does not necessarily imply a declining trend with another state.[62] One could reasonably assume that Kashmiri authorities are already cognizant of this likely outcome. If anything, it ought to dampen fears of lopsided expectations from future economic interaction on either side; a positive outlook towards the future is another condition that supports the liberal argument on economic interdependence.

The other consideration in our argument is the conscious effort to propose a minimalist approach to cooperation on both sides of the LoC those factors in the precarious relations between both countries. Our approach is much different from those who, based in literature on maximizing gains through greater connectivity, have forwarded proposals that call for integration of Jammu and Kashmir, India, and Pakistan through a sub-regional free trade agreement within the South Asian Free Trade Agreement (SAFTA) framework.[63] Such propositions seem to overlook the highly restrictive India-Pakistan trade regime, refusal of Pakistan to grant India MFN status, and formal ban on Indian imports except those on a 773-item strong positive list.[64] The case for Pakistan's wariness of possibility of onslaught from a much stronger Indian economy is not hard to build; despite absence of MFN, the balance of trade has continuously been growing in India's favour. [65] Pakistan's manufacturing industry set up to cater for small-to-medium sized markets in most sectors is functioning near to full capacity and could not produce a large surplus to export to India over the medium term. Therefore, in the foreseeable future, Pakistan would not be able to utilize its advantage even in products with a competitive edge. Coupled with the inherent distrust that engulfs policy makers in both countries, any arrangement where Indian goods could make their way across to Pakistan is likely to raise fears of disparate gains. The realist perspective on economic interdependence would almost certainly be vindicated, and in the process, even the possibility of collaboration between Indian and Pakistani Kashmir would be undermined.

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[62] Hughes, widely known for developing computer simulation of global systems-the International Futures (Ifs), analyzes three different models for assessing economic interdependence. In the GNP model, he uses GNP estimates as a control for dyadic trade flows. See Barry B. Hughes, "Transaction Analysis: The Impact of Operationalisation," *International Organization* 25, no.1 (Winter 1971): 132-139.

[63] See for example, Schaffer, "Kashmir: The Economics of Peace Building," 63-67.

[64] Amiti Sen, "Pakistan refuses to give MFN status to India even after Safta ratification," *Financial Express*, March 28, 2006.

[65] Even the improvement in Indo-Pak ties since the beginning of the peace process has assisted the Indian case disproportionately. Pakistan's trade deficit has grown from a mere US$ 95.91 million in 2002-03 to US$ 341.60 million in 2005-06.

Admittedly, our concern with being realistic has forced us to leave out a number of other potential avenues for collaboration that would otherwise be appealing. For instance, we have completely left out any substantial discussion of the potential for investment in setting up industrial units, real estate or infrastructure purchases, among others as these involve physical relocation or ownership of physical assets. A tendency to avoid any physical infrastructure development is common in such situations as governments find it much harder to reverse the presence of physical infrastructure than to block investment and services trade or human interaction. In the final outcome, the plan suggested in this paper realistically reflects the limit to which political restrictions from India and Pakistan would allow Kashmiri authorities to extend the cooperation agenda.

Governance and Political Will

Although realistic, even the success of this plan is contingent upon Islamabad and New Delhi departing from a state-centric paradigm to allow both sides of Kashmir to transform into an open market economy (strictly within the context of cross-LoC flows). Hardline views seeking to gain political mileage through undermining the process would have to be checked, tactical military considerations would have to accept taking the back seat, and the traditional tight control over both parts of Kashmir would have to be loosened. Presently, while Pakistani Kashmir has its own Head of State, constitution, and legislature, the entire government structure remains highly influenced by Islamabad. The Ministry of Kashmir Affairs and Northern Areas and the Azad Jammu and Kashmir Council follow Islamabad's lead. Northern areas have no declared constitution and are managed under an equally intrusive regime.[66] The level of intrusiveness is not much different in Indian Kashmir despite constitutional guarantees to the contrary. The Indian constitution's article 370 guarantees "special status" and high degree of autonomy to Indian Kashmir, which has not been forthcoming in reality. Only when these changes have been instituted can one expect a truly autonomous structure that is required to ensure economic transformation.

Political will is required to overcome bottlenecks: for example, any initiative requiring Kashmiris to cross the LoC (border markets, IT students, etc) will invoke sensitivities about the travel documents requirement. Either side could decide not to compromise on the need to conduct thorough

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[66] International Crisis Group, "India/Pakistan Relations and Kashmir: Steps Towards Peace," *Report* (Islamabad, New Delhi, Brussels), no.79, (June 24, 2004).

security checks, vehicles carrying commercial goods could be harassed by security forces, or intelligence agencies could bother people who are proactively involved in cross-LoC activities. Another concern, especially on the Pakistani side, could be with regard to the Rules of Origin of goods entering Pakistani Kashmir. Furthermore, both sides could limit gains by maintaining the present stringent regulations for foreign tourists.[67] Our suggestions relating to residents from one side being placed across the LoC for an extended period of time (student exchanges, teacher trainers, RSP teams, etc.) are sure to be received extremely cautiously in the initial stages.

Next, the public sector would have to furnish guarantees of substantial autonomy and free economic (and later human) movement within the state to raise investor confidence. This is so since the private sector's role will be a key in industrial production and services like tourism and IT, and in Kashmir's image projection and industrial marketing around the world. Proactive government involvement would only be required in sectors where the private sector is not forthcoming. For the Kashmiri authorities then, it would be essential to develop clearly defined regulatory and legal frameworks, facilitate business processes by reducing bureaucratic red-tape, and enhance transparency and accountability in official mechanisms.

Conclusion

The abysmal economic state and meagre productive capacity in the state of Jammu and Kashmir leaves any attempt to empirically test the economic theory of interdependence premature. Neither trade in goods, nor joint ventures/investment on either side is high enough for any genuine interdependence to develop. However, if future economic development and interdependence is managed positively, the liberalist contention of interdependence acting as a pacifier in Kashmir could be realized.

In this paper, we have presented an economic development and cross-LoC interdependence plan which is limited to collaboration in indigenous Kashmiri goods and services. The choice of the sectors for cooperation is unique in that these sectors are not normally the focus of interdependence literature. However, given the political context, the best opportunity to cross the minimum interdependence threshold is provided by a modest-paced drive

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[67] Currently foreign tourists in Pakistani Kashmir require a No Objection Certificate from the Azad Kashmir Home Department. The requirements are as dissuasive in Indian Kashmir. Government of Azad Jammu & Kashmir, "History of Azad Jammu and Kashmir and Other Information," http://www.ajk.gov.pk/tourism/facts.html.

where the benefits of cooperation are likely to be comparable on both sides, and much higher than the costs in absolute terms. We envision that our plan will provide this in its final outcome. Indeed, the implementation of the suggestions is necessary if the hope of peace and improved livelihoods in Jammu and Kashmir is to be realized. Were the governments of Pakistan and India to give these recommendations a sincere chance to succeed, the sixty year old Kashmir dispute may well end up being impacted positively by the economic interdependence created on both sides.■

PAKISTAN-INDIA PEACE PROCESS: AN ASSESSMENT

Dr Rashid Ahmad Khan[*]

Abstract

This paper was completed before the terrorists struck in Mumbai on November 26, 2008. Despite the fact that the attacks dealt the most serious setback to the peace process and the talks scheduled under the Fifth Round of Composite Dialogue have been postponed, the author has not felt it necessary to alter the basic theme of the paper, i.e., the peace process may be delayed by incidents like Mumbai carnage, it will not be derailed as both Pakistan and India have no other option but to make the South Asian region secure and peaceful to their mutual benefit. The paper reaches this conclusion after making a critical assessment for about five years of the process, focusing on its achievements and failures from the perspectives of Pakistan, India and the international community. The paper also makes an attempt to identify areas where divergence of perceptions between Pakistan and India have been narrowed down as a result of the peace process and explores the possibilities of reduction of the gap in areas where the two countries still hold wildly divergent views.

Introduction

$\mathcal{P}$akistan and India have been engaged in bilateral talks for the normalisation of relations and the resolution of outstanding disputes, including the dispute over Jammu and Kashmir for the last more than four years under a Composite Dialogue process. During this period four rounds of experts/officials level talks covering eight sectors[1] have been held and the fifth one is underway since July 21, 2008. To review the Fourth Round of the Composite Dialogue, the foreign secretaries of the two countries met in Islamabad on May 20, 2008 and "expressed satisfaction at the progress made so far".[2] Similar views have characterised the outcome of earlier four

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[*] Senior Research Fellow, Islamabad Policy Research Institute.

[1] The eight baskets of the composite dialogue are:
(i) CBMs; (ii) Jammu and Kashmir; (iii) Siachin; (iv) Sir Creek; (v) Wuller Barrage/Tulbul Navigation Project; (vi) Terrorism and Drug Trafficking; (vii) Economic and Commercial cooperation; and (viii) Promotion of friendly exchanges in various fields.

[2] "Pakistan-India Joint Press Statement," Ministry of Foreign Affairs, May 20, 2008, http://www.mofa.gov.pk/Press_Releases/2008/May/PR_132_08.htm

rounds of the composite dialogue between Pakistan and India, which resumed following the summit meeting between President Pervez Musharraf and Prime Minister Atal Bihari Vajpayee in January 2004 on the sidelines of the 12th SAARC Summit in Islamabad. For example, speaking at a joint press conference with Pakistan's Foreign Minister Khurshid Mahmood Kasuri in New Delhi following the conclusion of first round of composite dialogue on September 6, 2004, Indian Foreign Minister Natwar Singh described its outcome as "positive."[3] In the joint statement issued after their meeting on the sidelines of 63rd UN General Assembly Session in New York on September 24, 2008, President Asif Ali Zardari of Pakistan and the Indian Prime Minister Manmohan Singh also noted and "welcomed several positive outcomes of the four rounds of composite dialogue" between the two countries.[4]

But the reservations and misgivings about the peace process persist and it remains vulnerable to certain events/developments that may suddenly take place marring the relations between the two countries. This paper attempts an assessment of Pakistan-India peace process focusing on its achievements and failures during the last four years. Further, the paper would probe the question whether, as a result of the peace process, there has been any narrowing down of the areas of divergence in views/perceptions between Pakistan and India on the issues of peace and conflict resolution? The paper would also discuss the direction the peace process is expected to take in future in view of the experience of the past four years.

There is an old adage that you can choose your friends but not your neighbours. Pakistan and India are neighbours, sharing a long common border. In addition to that the two countries have common history and share cultural similarities. Geographical proximity, historical and cultural links and economic complementarities create very strong imperatives for interaction between the two countries. But unfortunately, since their independence in 1947, the relations between the two nations have remained tense and strained. The two countries fought three wars (1948, 1965 and 1971) during the last about six decades. Despite the fact that the two countries are members of a

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[3] Government of Pakistan, "Text of the Joint Press Conference by External Affairs Minister of India Mr. Natwar Singh and Foreign Minister of India Mr. Khurshid Mahmood Ali Kasuri, New Delhi," *Foreign Affairs Pakistan* 31, no.9 (September 6, 2004): 324.

[4] "Joint Press Statement issued after meeting between President Asif Ali Zardari and Prime Minister Manmohan Singh on the sidelines of 63rd Session of UN General Assembly in New York on September 24, 2008," Ministry of Foreign Affairs, http://www.mofa.gov.pk/Press_Releases/2008/Sep/Joint_statement.htm

regional trading bloc, i.e., South Asian Association for Regional Cooperation (SAARC) and signatories to South Asia Free Trade Area (SAFTA) and World Trade Organization (WTO) agreements, there is no open trade between Pakistan and India. Pakistan has refused to grant India the Most Favoured Nation (MFN) status despite persistent Indian demands. Although over the last four years, there has been considerable expansion in the list of tradable items between Pakistan and India, the trade between them is still carried on the basis of a positive list. Pakistan links open trade with India with the resolution of Kashmir dispute.

The two countries also observe a highly restrictive visa regime. Their citizens while on visit to each other are often subjected to strict security checks and their movements are monitored and confined only to one or two places. A close look at the history of their relations and a survey of various efforts aimed at normalisation of their relations would reveal that the dispute over Jammu and Kashmir is the principal impediment in the way of normalisation and cooperation between the two countries. This is true even after an unprecedented increase in people to people contacts through expanded rail, road and air communications under the ongoing peace process. The pace of the peace process has remained slow and no breakthrough has taken place on conflict resolution and in the important areas like bilateral trade only because there has been no tangible progress on Kashmir despite the completion of four rounds of composite dialogue under the ongoing peace process.

However, it does not mean that there has been no progress under the ongoing peace process. We have already mentioned the statements of the officials and leaders of Pakistan and India in which the "satisfactory" progress of the peace process has been acknowledged. But this progress relates only to the Confidence Building Measures (CBMs) agreed to and implemented by the two countries. It cannot be denied that the list of CBMs is impressive and the movement in this area is unprecedented. There are now two rail and three road routes that connect Pakistan and India across their international borders, in addition to air links that connect their major cities. The two rail routes are: Lahore-Delhi train service passing through the Wagha-Atari border and Khokrapar-Munabao train service that connects Pakistan's Sindh province with Indian state of Rajasthan. Three bus routes are: Lahore-Delhi bus service inaugurated in February 1999, Lahore-Amritsar bus service and Amritsar-Nankana Sahib bus service.

Efforts for Normalisation

At the time of independence in 1947, Pakistan and India started off with a comparatively better and closer relationship in the fields of commerce, cultural exchanges and communication. The two countries were bound together in a sort of customs union, enabling Pakistan to export its jute through the West Bengal port of Calcutta (now Kolkata) and India to import its fuel needs from the Persian Gulf and the Middle East through the Pakistani port of Karachi. Both Pakistan and India carried on this import/export trade without any duty being levied by them. They followed liberal and easy visa regime to facilitate the visits of their citizens across not only the international border but also across the ceasefire line in Kashmir. The people of Lahore could easily go across the Wagha border to witness the cricket match in Amritsar, and travellers from Azad Jammu and Kashmir (AJK) could cross the ceasefire line only showing the state domicile certificate. There was open trade between the two countries and there was no ban on the import of Indian films, newspapers, books and other literature into Pakistan. But Indian military intervention in Kashmir leading to the first war in1948 between the two countries soured their relations. The forcible occupation and subsequent refusal by India to resolve the issue of Kashmir according to the United Nations Security Council (UNSC) resolutions confirmed the Pakistani fears that India was out to weaken Pakistan militarily and destroy it economically as all the rivers that irrigated the fertile plains of West Punjab had their sources in the Jammu and Kashmir state. The concentration of the Indian forces in Kashmir strengthened Pakistani perception of India as principal threat to its security. This perception was also responsible for pushing Pakistan to embrace U.S. sponsored military alliance system under the Southeast Asia Treaty Organization (SEATO) and the Baghdad Pact in 1950s. The decade that followed witnessed a gradual build up of Pakistan-India tension over Kashmir that resulted in the 1965 war.

The 1965 war between Pakistan and India was closely linked to Kashmir in the sense that certain developments in the state were moving in the direction where a clash between Pakistan and India seemed inevitable. Although India blamed Pakistan for starting the war by sending guerrillas across the ceasefire line in Kashmir, and following this up with an incursion by the Pakistani army in Chhamb Jaurian sector of the Indian occupied Kashmir, it was clear to many that it was a series of India's own actions, which ultimately

made the 1965 war inevitable.[5] During the years preceding the war in September 1965, tension escalated between Pakistan and India in view of the deterioration of situation in Kashmir caused by the stealing of a sacred hair of the Holy Prophet (PBUH) from the Hazratbal mosque near Srinagar on December 27, 1963. The disturbances in Kashmir led to communal rioting in East Pakistan and West Bengal. The Hindu-Muslim clashes in West Bengal forced about 20,000 Muslims to cross into East Pakistan, and a large number of Hindus had to leave their homes in East Pakistan and entered into West Bengal. Passions ran high on both sides of the border, and in a bid to cool down the temperature the Home Ministers of Pakistan and India met in April but failed to agree on steps for settling the question of the Muslims evicted from India.

Pakistan requested an immediate meeting of UNSC to consider the grave situation in Kashmir and the resulting dangerous tension in the eastern part of the subcontinent. Although UNSC did not take any step towards addressing the fast deteriorating situation in Kashmir, India made an important move to settle Kashmir issue by releasing Sheikh Abdullah on April 8, 1964 and sending him to Pakistan for holding talks with Pakistani authorities on possible ways to resolve the Kashmir dispute. Sheikh Abdullah arrived in Pakistan on May 24 and held discussions with President Ayub Khan. The process of Pakistan-India talks on Kashmir started by the release of Sheikh Abdullah, however, ended abruptly with the death of Indian Prime Minister Pandit Jawahar Lal Nehru on May 27, 1964. His death was followed by a series of Indian actions in Kashmir that further worsened relations between Pakistan and India. Chief among these events was the Indian move to integrate Kashmir into the Indian Union by eroding Section 370 of the Indian Constitution that gave special status to the state. The growing tension between Pakistan and India led to war over the Runn of Kutch — a territory situated between Pakistan's Sindh province and the Indian state of Gujrat. Although the dispute dated back to the pre-partition days of British rule over India, the exacerbation of the situation was caused by the anger and frustration over Kashmir. It was essentially the failure of India to seek a solution of the Kashmir dispute that created the dangerous environment for a clash between the two countries. As a prominent writer remarked: "The Kutch war was but a symptom of deep-seated canker of Kashmir, which continued to fester and poison Indo-Pakistani relations."[6]

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[5] S.M Burke, *Pakistan's Foreign Policy: A Historical Analysis* (Karachi: Oxford University Press, 1973), 318.

[6] Ibid., 326.

This canker also kept Pakistan-India relations tension ridden in the decade following the 1965 War. The 1965 War reinforced the enemy perception of India in Pakistan. The war brought to an end whatever interaction was there between the two countries in the areas of commerce, trade, culture and sports. Although Pakistani and the Indian forces battled on their international borders, the focus of the war was Kashmir. The war was the outcome of tension between Pakistan and India, created by the unilateral actions by the latter in Kashmir in complete disregard to the feelings of the Kashmiri people. The war starting from September 6 was over in 17 days but it left a scar on the memories of the Pakistani and the Kashmiri people, which have not been erased even after four decades. Following the ceasefire, Pakistan and India signed the Tashkent Declaration in January 1966, through the good offices of the former Soviet Union, and pledged to normalize their relations through a process of normalization. But all efforts made in that direction were overshadowed by serious differences over Kashmir. For more than a decade, trade between the two countries remained totally suspended. New travel restrictions were imposed. The import of Indian films, newspapers and books was totally banned. The 1971 War, though not directly related to the Kashmir issue, had an important impact on the future course of events in the state. The ceasefire line was renamed as the Line of Control (LoC). The Simla Agreement signed in July 1972 had provided that Pakistan and India would hold bilateral talks to resolve the dispute. But India showed no interest in holding talks on Kashmir. It is said that the Indian attitude of ruling out any talks on Kashmir with Pakistan led ultimately to the rise of militancy in Kashmir.

Kashmir has been a determining factor not only in bilateral relations between Pakistan and India, the cooperation between the two at multilateral arrangements like SAARC, has also been adversely affected by the persistence of their differences over Kashmir. The major factor that has so far held back the development of SAARC as a regional cooperative organization is the failure of Pakistan and India to agree on open trade between them. The principal reason is the unresolved dispute over Kashmir. Pakistan has made it clear that free and open trade between the two countries is possible only after the final settlement of the Kashmir dispute. Pakistan has also linked India's seeking of MFN status and the transit facility to trade with Afghanistan by road, with tangible progress on the resolution of Kashmir dispute. The differences between Pakistan and India over MFN status and open trade have also cast dark shadows on the prospects of SAFTA agreement, which was concluded after years of negotiations among the member countries of the SAARC. The conflict and crisis between Pakistan and India marked by three

wars, a limited war over Kargil in 1999 and three crises, i.e. ,Brass Tacks (1987), Kashmir uprising (1990) and military stand off (2001-2) all point to the centrality of Kashmir dispute in not only Pakistan-India relations but also in the broader issue of peace and security in the region. Even the nuclearisation of South Asia, following overt atomic tests carried out by India and Pakistan in 1998, is closely linked to the Kashmir dispute. The lingering dispute has strengthened Pakistan's perception of India as the principal threat to its security. This perception determines Pakistan's defence and security doctrines. The development of Pakistan's nuclear programme was in response to India's first nuclear test in 1974. Similarly, when India became an overt nuclear power by carrying out nuclear tests in 1998, Pakistan responded by conducting its own nuclear tests. The only purpose before Pakistan in carrying out overt nuclear tests was to restore strategic stability in the South Asian region, which was rudely shaken by the Indian tests. The immediate and the most important outcome of nuclearisation of South Asia in 1998 was that it brought the Kashmir issue into sharp focus of international community. Kashmir began to be perceived as the world's nuclear flash point with the dangerous potential of escalating Pakistan-India tensions into a nuclear war between the two countries. According to an expert on South Asian affairs, there is no guarantee that it will not lead to war or military adventures involving nuclear deployment and possibly the use of a nuclear weapon.[7]

The Resumption of Composite Dialogue and Peace Process

Although the ongoing peace process and the resumption of Composite Dialogue between Pakistan and India followed the issuance of January 6, 2004 Joint Statement by President Musharraf and Prime Minister Vajpayee after they met in Islamabad on the occasion of 12th SAARC Summit, Pakistan and India had begun to take important steps on the way to improving their bilateral relations much earlier. The process started with the decision of Pakistan and India to end 2001-02 military stand off and withdraw their troops to peace time positions. Fully equipped and battle ready troops of Pakistan and India numbering about a million stood in an eye ball-to-eye ball position on the international border of the two countries for more than eighteen months after India accused Pakistan of being behind an attack by armed men on the Indian Parliament on December 13, 2001. The two countries were on the

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[7] John Thomson, *"Kashmir: The Most Dangerous Place in the World,"* In *Kashmir: New Voices, New Approaches,* ed., WPS Sidhu (New Delhi: Viva Books Private Ltd., 2007), 188.

brink of war; but better sense prevailed and the two countries agreed to withdraw their forces from the forward positions on their common borders. The decision averted a war between the two countries, which seemed almost imminent.

But the event that set the ball rolling was the April 18, 2003 statement by Prime Minister Vajpayee made in Srinagar in which he for the first time offered to hold talks with Pakistan on the resolution of Kashmir dispute from a purely humanitarian perspective. There was a spontaneous and positive response from Pakistan. Prime Minister Zafarullah Jamali, whose government had assumed the reins of power only six months ago following the holding of elections in October 2002, welcomed the statement of the Indian Prime Minister and immediately offered to hold unconditional talks with India for cooperation in sports, culture and economic affairs. President Musharraf, who had held the abortive Agra Summit with Vajpayee in July 2001 had to follow suit and supported the response of Prime Minister Jamali. Before the Musharraf-Vajpayee summit in Islamabad in January 2004, the two countries had reached agreements on the restoration of overflights and other communication links that India had unilaterally severed following the December 13 incident of the Indian Parliament. The most significant achievement of the process, however, was the agreement on ceasefire along LoC on November 25-26, 2003 which, though occasionally marred by sporadic crossfire between the border forces of the two countries, has held the ground so far. The LoC ceasefire brought great relief to the people on both sides as the civilians bore the main brunt of incessant shelling and exchange of fire causing damage to the property and life of the people living close to the LoC. Former Foreign Minister Khurshid Mahmood Kasuri termed the LoC ceasefire agreement as the most successful CBM between Pakistan and India.

In January 2004, Vajpayee visited Pakistan to attend 12th SAARC Summit being held in Islamabad. During his stay in Pakistan he met President Musharraf and held talks on bilateral issues between the two countries. Following this meeting the two leaders issued a joint statement on January 6, 2004, in which they announced the agreement to resume Pakistan-India bilateral talks on all outstanding disputes, including the dispute over Jammu and Kashmir.[8] This is to be noted that the statement especially mentioned the

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[8] Following is the operative part of the Joint Statement:
   To carry the process of normalisation of relations between the two countries forward the President of Pakistan and the Prime Minister of India agreed to commence the process of composite dialogue in February 2004. The two leaders are confident that the resumption of composite dialogue will lead to peaceful settlement

dispute over Jammu and Kashmir. It amounted to an open recognition by the two countries that the main impediment in the relations between the two countries was the dispute over Kashmir, and that there was no question of establishing complete normalcy between the two without finding a solution to it.

In the light of the Joint Statement issued after Musharraf-Vajpayee summit in Islamabad, the foreign secretaries of Pakistan and India met on February 18 in Islamabad to discuss the modalities and time frame for discussion on all subjects on the agenda of the composite dialogue. According to the schedule of the meetings announced following the foreign secretary level talks in Islamabad, the first round of talks under the composite dialogue was to begin in May/June 2004 and conclude in August 2004, when the foreign ministers of the two countries were to meet to review the progress made by the expert level talks on various subjects.

The split of the composite dialogue into eight specific sectors was meant to identify the disputes and also the areas where Pakistan and India were required to work simultaneously on narrowing down their differences or remove the impediments for establishing stable, cooperative and peaceful relations between the two countries. The disputes, which were specifically listed were Siachin, Vullar Barrage, Sir Creek and, of course, Kashmir. In the past, Pakistan-India negotiations were stalled because of Indian insistence to de-link Kashmir from other issues. Pakistan took the position that progress on other disputes or areas must be linked with forward movement on Kashmir. The decision to hold structured talks under the composite dialogue process implied the recognition of close linkage between Kashmir and other bilateral disputes between Pakistan and India. Pakistan's position that progress on CBMs should be in tandem with progress on conflict resolution, especially Kashmir, can be explained in the light of this linkage under the composite dialogue.

Pakistan and India have completed four rounds of talks on these bilateral issues under the composite dialogue during the last about four years. The last round, i.e., the fourth round was completed in December 2007. The talks held under the composite dialogue and peace process have no doubt brought marked improvement in relations between Pakistan and India. Before

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of all bilateral disputes, including Jammu and Kashmir, to the satisfaction of both sides.

The two leaders agreed that the constructive dialogue would promote progress towards the common objective of peace, security and economic development for our peoples and for our future generations see text of Joint Statement, *IPRI Factfile* (Islamabad Policy Research Institute)6, no.10, (October 2004): 7,

the start of the peace process their relations were marked by high degree of tension, which could escalate into a clash. But the progress made under the peace process has brought the level of tension between the two countries considerably down. There is considerable progress on the CBMs' front, including nuclear CBMs. The achievements on the CBMs' front include:

(1)   Signing of agreements on nuclear risk-reduction and early warning on missile tests;

(2)   Opening of Munabao-Khokrapar rail route;

(3)   Commencement of Lahore-Amritsar and Amritsar-Nankana Sahib bus service;

(4)   Increasing the frequency of Lahore-Delhi bus service;

(5)   Increasing the number of weekly flights between Lahore and New Delhi;

(6)   Opening of terminals for trucks carrying goods by road up to the designated points on each side of the Wagha border;

(7)   Facilitating visa process for visiting businessmen and journalists;

(8)   Incremental increase in the number of items of goods tradable between Pakistan and India;

(9)   Agreement to exchange prisoners, especially on the release of fishermen; and

(10)   Permission for senior citizens to cross Wagha border on foot.

In addition to these CBMs, the two countries are also implementing a number of Kashmir-specific CBMs, which include;

(1)   Muzaffarabad-Srinagar bus service

(2)   Poonch-Rawalakot bus service

(3)   Agreement on truck service between two parts of Kashmir

(4)   The opening of five entry points across the LoC to facilitate the visits of the members of divided families

(5)   Agreement to start trans-LoC trade.

Following the decision taken by Pakistan-India Joint Working Group meeting in New Delhi in September 2008, Trans-LoC trade has commenced on Srinagar-Muzaffarabad and Poonch-Rawalakot routes from 21 October 2008. The date was announced in the Joint Statement issued after the meeting between President Zardari and Prime Minister Manmohan Singh in New York on September 25, 2008. The commencement of trade has been widely

welcomed by the businessmen, traders and the Kashmiri people on both sides of LoC. What is important is that the decision has received support from the state governments of Azad Jammu and Kashmir (AJK) and Jammu and Kashmir (J&K) as well as from All Parties Hurrayat Conference (APHC).

The implementation of the above CBMs no doubt represents an impressive achievement of the ongoing peace process. Because of the restoration of the old and the opening of new travel routes and liberal visa policy, there has been an unprecedented growth in people-to-people contacts between the two countries. There has been tremendous increase in cultural and friendly exchanges and cooperation in sports. At the conclusion of the fourth round of composite dialogue, the spokesman of Pakistan's foreign office described the present state of Pakistan-India relations in the following words:

"Relations between Pakistan and India have been never so good in sixty years as today".[9]

President Musharraf is also on record to have stated that never in the history (of Pakistan-India relations) people in such a large number went to India from Pakistan or came from India to Pakistan.

Talks between Pakistan and India have been held before, but the ongoing peace process and composite dialogue is unique in the sense that it has continued without any interruption for the last four years. It has survived a number of vicissitudes in relations between the two countries, like Bombay (now Mumbai) train blasts in July 2006 in which about 200 people were killed. Former Foreign Minister Mr. Khurshid Mahmood Kasuri was right when he said that the ongoing peace process was the longest round of talks in the whole history of Pakistan-India relations. Another significant feature of the current peace talks is that they took off on a pleasant note right from the first round. The atmosphere in which these talks were being held has been consistently described as "cordial and constructive."[10] This description has underlined all the subsequent meetings held between the delegations of Pakistan and India to discuss issues under the composite dialogue. For example, the press statement issued after talks on promotion of friendly exchanges in various fields described the atmosphere as "very cordial and constructive."[11] Even the atmosphere in which "candid and frank discussions"

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[9] Ibid., 72.
[10] Ibid., 13.
[11] Ibid., 67.

were held on Siachin in August 2004 pursuant to the January 6 Joint Statement was described as "friendly and constructive".[12]

Despite the fact that both Pakistan and India have described the progress achieved under peace process as satisfactory, neither of them, though from entirely different perspectives, is satisfied with the pace of the process. From the Indian perspective, Pakistan's refusal to allow open and land based trade between the two countries is the main reason behind the slow pace of the peace process. Although trade between Pakistan and India is still carried on the basis of positive list, the Indian allegations that Pakistan was not interested in expanding commercial relations between the two countries is not correct. As the Joint Statement issued at the conclusion of the fourth round of Pakistan-India talks on economic and commercial cooperation shows, Pakistan has agreed to a number of measures, which would further facilitate the growth of trade and economic cooperation between the two countries. These measures include opening of bank branches in each other, Pakistan's agreement to allow export of cement to India, Pakistan's decision to import tea from India, Indian decision to lower tariff on further 484 importable items from India, the decision to hold Trade Exhibitions in each country and the initiative to allow cross border movement of trucks, up to designated points at Wagha/Atari, for unloading/reloading of cargo.[13] For political, economic and strategic reasons, the Indians give priority to open and land based movement of goods between Pakistan and India. New Delhi hopes that it will ultimately lead to the grant of transit trade facility, which will enable the Indian goods to reach markets in Afghanistan, West Asia and Central Asia.

With the induction of coalition government led by Pakistan Peoples Party (PPP) following the February 18 elections, the prospects of further increase in the trade between Pakistan and India have brightened. PPP's manifesto for the elections had pledged enhanced level of trade between Pakistan and India. Co-Chairperson of the party and now President Zardari had even said that trade between Pakistan and India would not be allowed to be held as hostage because of unresolved dispute over Jammu and Kashmir. The Joint Statement also contained the decision to open the Wagha-Atari road link to all permissible items of trade and to open the Khokrapar-Munabao rail route to all permissible items of trade. To expand the area of economic cooperation, including cooperation in the energy sector between the two countries, President Zardari and Prime Minister Singh also announced in the

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[12] Ibid.
[13] Ibid., 46-47.

Joint Statement the decision to continue interaction between the Planning Commissions of both countries.

From the Pakistani perspective, the lack of progress on conflict resolution, especially on the core issue of Kashmir, is the main cause for slow movement of the peace process. There is a lot of progress on CBMs, but this progress has not been accompanied by progress on conflict resolution, which Pakistan finds disappointing. The two countries have failed to ink final agreements on the settlement of even such disputes as Siachin and Sir Creek, although most of the differences over these disputes have been narrowed down following discussions in the technical and expert level meetings. A peculiar mindset that tends to perceive Pakistan-India relations in terms of zero sum game is mainly responsible for the lack of progress on conflict resolution. As a result, there is disappointment and disillusionment about the peace process. When the composite dialogue process was resumed four years ago, there was a lot of optimism on the Pakistani side. It was hoped that the peace process would lead to the final settlement of Kashmir dispute, which was the root cause of hostility between Pakistan and India. The peace process was perceived as a means, not an end in itself. It was for this reason that Pakistan pressed for a meaningful and result oriented dialogue on the bilateral disputes between the two countries.

The question arises if from the perspectives of both Pakistan and India, the peace process is not proceeding at the desired pace and not achieving the desired progress, then, what is it that sustains the ongoing composite dialogue and peace process between Islamabad and New Delhi?

There are four factors, which have made the peace process sustainable:

> *One*, both Pakistan and India have recognized the imperative of close interaction and cooperation between the two for promoting peace, security and development in the region. They have also agreed that this was possible only when all outstanding disputes between them were resolved.

> *Two*, the two countries have also come to the conclusion that in the light of changed circumstances, especially after nuclearisation of South Asia, war as a means to settle the disputes was no longer an option. The only way to resolve the disputes was through peaceful bilateral talks.

Three, the international community took unprecedented interest in facilitating and promoting the dialogue between Pakistan and India. Efforts made by Pakistan and India to resolve their disputes have also won the appreciation and goodwill of the international community, thereby promoting the prospects of increased trade and foreign investment in the two countries.

Four, the peace process has found an unprecedented support among the masses of Pakistan and India. The businessmen, traders and the industrialists of both countries have favoured greater interaction in the areas of trade, commerce and economic cooperation between the two countries.

These four factors have also worked to bring about a change and flexibility in the attitude of both Pakistan and India on the issue of establishing tension-free bilateral relations through the resolution of bilateral disputes. India has acknowledged that Kashmir is not a settled issue. It has yet to be finally settled and it cannot be settled without engaging Pakistan. However, India maintains that since Kashmir is a complex and difficult issue, it can be resolved only through a step-by-step approach, which, according to the Indian version means that disputes comparatively simple and easy to resolve should be taken up first. It will create necessary trust and an environment conducive to the taking up more difficult and complex issues like Kashmir. The trouble with the Indian stance is that India rules out any change in the present borders of J&K and indicates readiness to make only small territorial adjustments along LoC. India favours greater interaction between the people of Kashmir and trade across the LoC. This has been welcomed by Pakistan and the people of AJK, especially the members of divided families, who have remained separated from each other for a very long time due to hostility between Pakistan and India. These measures, however, cannot be a substitute for the settlement of the Kashmir dispute in accordance with the wishes and aspirations of the Kashmiri people. Hence unless there is some tangible progress on Kashmir, the peace process will remain vulnerable to any sudden upheaval or crisis.

Vulnerabilities

The criteria for the success and the failure of the peace process is determined by the perspectives from which important stake holders have perceived Pakistan-India talks. From the perspective of international community,

especially the major powers like the United States, China, Russia, European Union and United Kingdom, which played behind the scene role in facilitating the resumption of the talks, peace process is an important success as it has considerably reduced tension between the two nuclear armed nations. However, it remains vulnerable to renewed Pakistan-India tension, which may be caused by a major sabotage or terrorist attack in India, like December 13, 2001 attack on the Indian Parliament. The resumption of Pakistan-India talks and the continuation of the peace process have addressed immediate concerns of international community. These concerns related to the fear of a nuclear clash between the two countries, which could have led to the involvement of other nuclear powers like China and Russia. The possibility of nuclear exchange between Pakistan and India was not only a matter of serious concern for major powers of the world; the smaller countries of South Asia were also equally frightened at its prospect. This is why the smaller countries of South Asia, like Bangladesh, Nepal and Sri Lanka had repeatedly called on Pakistan and India to observe maximum restraint during the dangerous 2001-02 military stand off as these countries being geographically contiguous to Pakistan and India could not escape the fallout of a nuclear war between Pakistan and India. Moreover, regional cooperation for development under SAARC has long been held hostage by the continuous hostility and tension between Pakistan and India. The continuation of the peace process and implementation of CBMs between Pakistan and India has not only raised the prospects of progress under the SAARC, it has also led to an improvement in the security environment of the South Asian region. Better prospects of peace in the region under the ongoing peace process between Pakistan and India have attracted greater inflow of Foreign Direct Investment (FDI) and more interaction between the South Asian countries and international community in the areas of trade, tourism, cultural exchanges and investment. China, Japan, European Union (EU) and the United States have acquired Observer Status in SAARC; while more states are showing their keen interest in attending the annual summit conferences of SAARC as observers.

From the perspective of the APHC, which is an umbrella organization of parties opposed to the Indian occupation of J&K, the peace process has been disappointing as it has brought little change in the on-ground conditions in the valley marked by violence between the militants and the Indian security forces and the abuse of human rights in the state. The current phase of protest in Kashmir launched more than four months ago against the allotment of land to a Hindu Trust for the pilgrimage purpose and the resultant violence reinforces the contention of the opposition political parties in the state that

peace process has not moved much in the direction of achieving its real objective, i.e., the resolution of Kashmir dispute in accordance with the wishes and aspirations of the Kashmiri people.

Moreover, parties struggling for the realization of the right of self-determination of the Kashmiri people in both parts of Kashmir had hoped for the association of the representatives of the Kashmiri people with the Pakistan-India bilateral talks under the ongoing peace process. Pakistan has supported the idea of trilateral talks involving Pakistan, India and the representatives of the Kashmiri people. However, India remains strongly opposed to it. There is, therefore, a sense of disillusionment among the Kashmiri people regarding the prospects of a settlement in Kashmir under the ongoing peace process.

But, with the exception of some militant outfits and Gilani faction of APHC, the majority of the political parties in J&K and AJK maintain their support for the ongoing peace process. They have also welcomed the commencement of trade across LoC, and had previously welcomed the start of bus service between Muzaffarabad and Srinagar and between Poonch and Rawalakot. These parties have also endorsed the idea of soft borders or making borders irrelevant in Kashmir, and have demanded greater and easier mobility of people and goods across the LoC in the hope that these measures will ultimately lead to the settlement of the Kashmir dispute in accordance with the wishes and aspirations of the Kashmiri people. Although India does not agree to the association of representatives of the Kashmiri people with the ongoing composite dialogue process, which is strictly bilateral between Pakistan and India, the representatives of the Union Government have held talks with the leaders of APHC, and allowed them to travel to Pakistan and AJK to hold talks with Pakistani and Kashmiri leaders. Such a development was unthinkable before the start of the peace process.

Pakistan-India dialogue under the current peace process resumed when only three months were left to the elections of 14th Lok Sabha (Lower House) of the Indian Parliament. In many quarters, especially in Pakistan, apprehensions were expressed that the peace process might not survive a change of government in India. But the new government of United Progressive Alliance (UPA) led by Congress reiterated its commitment to continue to engage Pakistan in the composite dialogue process as it held prospects for addressing the principal Indian concern — the end of what the Indian called "cross border infiltration and terrorism' in Kashmir. "India is committed," said Natwar Singh, the Foreign Minister of UPA Government of Prime Minster Manmohan Singh, "to deepen and widen its engagement with

Pakistan in order to resolve all issues and to build a durable structure of peace and stability in South Asia free from an atmosphere of terrorism and violence."[14] In the joint statement issued after the meeting between President Musharraf and Prime Minister Vajpayee on January 6, 2004, Pakistan had made a commitment not to allow the use of its soil for terrorist activities against other countries. For India this has always meant an end to infiltration of militants into J&K from the Pakistani side of LoC, termination of alleged Pakistani support to the militants in Kashmir and the dismantlement of the Jehadi infrastructure in AJK. Although the Indian authorities in their own statements have now and then admitted that level of infiltration has considerably gone down, the continuation of violence in Kashmir has often prompted India to accuse Pakistan of not fulfilling the commitment of preventing "terrorists" from entering into Kashmir from Pakistani side. This has been used by India as an excuse for slow peddling on the peace process.

Apart from this, terrorist incidents in other parts of India have also cast dark shadow on the peace process as India was rather quick to see an alleged Pakistani hand behind these terrorist acts. In this regard, the serial bombings of Mumbai's suburban train in July 2006 posed a serious threat to the peace process. The Indian Home Secretary V. K. Duggal alleged that these blasts were aimed at derailing the peace process, but he said that peace process would continue, it would not slow down.[15] However, Prime Minister Singh while paying a visit to Mumbai reacted strongly. A television channel quoted him saying that the "peace process will remain frozen till Islamabad starts acting on its assurance to crack down on the terrorist elements on its soil." According to ATV, the Indian Prime Minister said," Pakistan has given us the assurance that its territory will not be used for any activity against India. That assurance has to be fulfilled before the peace process moves forward."[16]

The peace process came under further stress with the Indian allegation of Pakistani hand in Taliban attack on the Indian embassy in Kabul on July 7, 2008. The incident took place when Pakistan and India were to start fifth round of composite dialogue after expressing satisfaction at the progress achieved by the preceding four rounds of bilateral talks on different issues covered by the composite dialogue process. The ongoing investigations into the Kabul embassy attack had revealed the hand of "elements in Pakistan," claimed the Indian Foreign Secretary Shiv Shankar Menon while talking to newsmen after meeting his Pakistani counterpart Salman Bashir in New Delhi

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[14] *Foreign Affairs Pakistan*, 324.
[15] *Dawn*, July 13, 2006.
[16] *Dawn*, July 15, 2006.

on July 21, 2008.[17] "The dialogue process is under stress and it will certainly affect our relations with Pakistan," the Indian Foreign Secretary said, adding, "We, India expect our concerns to be addressed. We consider it important that the dialogue process should continue".[18] The same observation was made in the Zardari-Singh Joint Statement when it said: "Both leaders acknowledged that peace process has been under strain in recent months".

But both countries decided to continue the dialogue and reiterated the need for talking to each other on the resolution of the outstanding issues with Menon acknowledging that meetings between the two sides gave them an opportunity to have "frank discussion on how we can deal with this." In the very same meeting the two countries reported important progress on enhancing people-to-people contacts, easing visa and permit issue norms and stepping up bilateral trade. The two sides also decided that frequency of two bus services across LoC would be weekly from the next month instead of fortnightly, cross-LoC permits will be valid for three visits from October. It was also decided to reduce the processing time for applications to travel across LoC.[19]

It clearly means that while threats to the peace process continue to exist and there could be occasional slow downs in the movement, Pakistan and India both will remain committed to dialogue as the only means to settle their disputes peacefully.

Pakistan shares the Indian perspective that the peace process has been useful, its outcome has been positive and it must continue in the interest of peace and security of the region and for the welfare, progress and prosperity of the two countries. But Pakistan is not satisfied with the pace and the direction of the process. From Pakistani perspective, progress on CBMs and conflict resolution should be in tandem with each other. So far progress on CBMs has been satisfactory; but the process has not made any significant progress in the direction of conflict resolution. This contention is based on the view that Pakistan held from the very beginning that CBMs should not be considered as an in themselves but a means towards an end - the resolution of bilateral disputes, especially the dispute over the state of Jammu and Kashmir. Even two other disputes - Sir Creek and Siachin over which the two countries have been able to remove most of the differences have not been finally settled.

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[17] *Hindu*, July 22, 2008,
    http://www.hindu.com/2008/07/22/stories/2008072259971100.htm (accessed
    July 7, 2008)
[18] *News*, July 22, 2008
[19] *Hindu,* July 22, 2008.

From Pakistani perspective, lack of progress on the conflict resolution is the greatest failure of the peace process. As long as there is no tangible movement on conflict resolution, the peace process, Pakistan holds will remain vulnerable.

Mumbai Terrorist Attacks and the Peace Process

From the Indian perspective, which is also shared to a large extent by international community, terrorism constitutes the most serious threat to the peace process. The Indian interpretation of this threat had till the Mumbai attacks remained focused on what they call "cross-LoC infiltration of militants". But the Mumbai attacks on civilian targets carried on by 10 armed terrorists have shifted this focus to terrorism as the main threat to the continuation of talks with Pakistan under the Composite Dialogue. The peace process, which, was already "under stress" due to controversy over Kabul embassy attack, became the first casualty of Mumbai attacks. The Indian government postponed the scheduled meetings under the Fifth Round of Composite Dialogue, which were resumed on July 21. Indian Foreign Minister Pranab Mukherji said in a statement that talks with Pakistan could not be continued under the existing circumstances. India also cancelled the scheduled visit of its cricket team to Pakistan without giving new dates for the visit. The Indian media, with the exception of a few, called for the termination of peace talks with Pakistan in the midst of war cries following the Mumbai attacks. The initial reaction in Pakistan was that of grief and sympathy for the victims of Mumbai attacks. But finger pointing at Pakistan without even a preliminary enquiry and threatening statements by some of the leaders of India angered Pakistani public and media.[20] There was, therefore, equally strong reaction from the Pakistani media. The situation became very tense with orders for forces of the two countries to maintain alert. However, emotions have subsided and there have been reconciliatory statements from both sides. Prime Minister Singh, while addressing a public meeting in Kashmir, said that India had always wanted to have good relations with (Pakistan), but this gesture should not be treated as our weakness. "We have tried our best to solve all the issues with Pakistan through amicable means and we are still going forward with this spirit". But he cautioned that normal relations with Pakistan would only be possible if its soil was not used for terrorist attacks against India.

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[20] "India is quick sometimes too quick-to suspect Pakistani hand behind the terrorist attacks it suffers. But it often struggles to prove the link". *The Economist* (December 6-12, 2008): 35.

"Our relations with Pakistan will not improve until it curbs the terrorists who are operating on its soil to carry out terrorist attacks against India".[21]

From Pakistani side, also, there came a number of steps/proposals to defuse the tense situation. Early in December, Pakistan proposed establishing a high level commission comprising National Security Advisors of the two countries and experts belonging to the relevant agencies and departments. Pakistan also proposed that the leadership at the highest level of the two countries should remain engaged. Pakistan had offered to send its Foreign Minister to India as head of its delegation.[22] Earlier, the Government of Pakistan, following a meeting of the Defence Committee of the Cabinet (DCC) offered joint investigation to India and declared its resolve not to allow its soil to be used for terrorist activities against India. The move was meant to address the Indian concerns. Minister for Information and Broadcasting, Sherry Rehman, while briefing the media on the deliberations of the DCC said that "security and the stability of South Asia is in the fundamental interests of the people of the region. It was, therefore, imperative to proactively defuse the prevailing tension".[23]

The tension has, therefore, been considerably defused and one can agree with Zafar Iqbal Cheema, a Pakistani defence analyst, who, while giving his view on the impact of Mumbai carnage on Pakistan-India peace process said:

> "I think India-Pakistan relations would go back to the continuation of the dialogue process because the Government of India has not accused the Government of Pakistan (of terrorism) during its recent parliamentary session. This is very helpful, and by not mobilizing troops, India not only averted the war like situation, it also shows that India has arisen after December 2001 attack on the Indian parliament".[24]

Conclusion

When Pakistan and India decided to resume peace talks in January 2004, skeptics were of the view that the latest round of talks would suffer the same fate as did the previous ones. In Pakistan the peace initiative was denounced

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[21] *Hindu*, December 15, 2008,
http://www.thehindu.com/2008/12/15/stories/2008121558931200.htm
[22] *News*, December 13, 2008.
[23] *News*, December 9, 2008.
[24] *Hindu*, December 15, 2008,
http://www.thehindu.com/2008/12/15/stories/2006121558961200.htm

by militant and religious organizations as sell out to the Indians and betrayal of the Kashmiri *Mujahdeen,* who had been struggling for the liberation of the state since 1989. But after four years many of them had to change their views. Even Jamaat-i-Islami, which had taken out demonstrations on the streets of Lahore to protest against visiting Indian Prime Minister Vajpayee in February 1999, has moderated its criticism of the peace process. The peace process has many failures and it has not been able to meet the expectations of any of the stakeholders, but it is being recognized by all of them as useful and necessary. This may be called the greatest success of the peace process that it stayed despite severe jolts in the last four years. It has been possible only because Pakistan and India have both moved, to a varying degree, away from their traditionally held rigid positions on the general issue of peace and security in the region. Although India is still opposed to any change in the borders of Kashmir, it has acknowledged that Kashmir is a disputed territory and it has .still to be settled. Similarly, unlike in the past, Pakistan no longer insists on Kashmir first position. It seems to have reconciled to the Indian position that a step-by-step approach is the only approach to resolving the complex issue of Jammu and Kashmir.

Before the Taliban attack on Indian embassy in Kabul in July and the November 26 terrorist acts in Mumbai, peace process seemed heading towards a major improvement, if not a breakthrough, in relations between Pakistan and India. Trans-LoC trade commenced from October 21and Pakistan had agreed to allow trade between the two countries through Wagha-Atari land route. Following the talks on cooperation in anti-terrorism under Joint Anti-Terrorism Mechanism (JATM) in Islamabad, the two countries announced their firm commitment to jointly fight terrorism in the region. In the talks Pakistan's Foreign Minister Shah Mahmud Quereshi held only a day before the Mumbai mayhem, with his Indian counterpart, an agreement to open three more trade routes was announced. But the terrorist attacks in Mumbai upset the whole process and the Indian Foreign Minister Pranab Mukherji stated that talks with Pakistan could no longer be continued under the "present circumstances." Further meetings scheduled under the Fifth Round of Composite Dialogue were postponed. But within a period of two weeks after the Mumbai attacks, calls from Pakistan and influential members of international community, poured in to urge the resumption of peace process as soon as possible. It is now generally believed that the peace process would resume as the tempers on both sides cool down.■

THE EMERGING NEW SECURITY ORDER IN THE MIDDLE EAST

Dr Mohammed Nuruzzaman[*]

Abstract

The Middle East, since the end of World War II, has been a hotbed of conflicts and wars as well as one of the most unstable regional security orders in the world. The United States has traditionally sought to maintain regional security and stability through the so-called policy of "three pillars" and a corresponding balance of power system between regional rival states. In 2003 the George Bush administration attempted to directly control the region through military invasion of Iraq but has ended up with counterproductive consequences. This paper argues that the post-war security structure in the Middle East developed under U.S. supervision and maintained until 2003 is breaking down giving rise to a new security order with two important but rival power centers – Iran-centered Shiite Crescent stretching from Tehran to Beirut, and Saudi Arabia-led Gulf Cooperation Council (GCC) states backed by Egypt and Jordan. The benefits from cooperation for development, peace and security and the historic lessons of destructive conflicts and wars provide compelling incentives for leaders of the two rival power centers to resolve intraregional conflicts and lay the foundation for a stable regional security order in the Middle East.

Introduction

*C*ontemporary Middle East remains the epicenter of global instability and insecurity. In contrast to other conflict-ridden regions in the world, such as South Asia, East Asia or the Horn of Africa, the Middle East has been more volatile and more explosive. Four important factors contribute to conflicts, wars and instability in this region: (a) its huge and inexhaustible oil and gas deposits (two-thirds of the world's total); (b) the oil interests and military presence of outside powers in the region; (c) the perceptions and/or misperceptions of threats that characterize relations between the regional states, particularly between Iran and the Persian Gulf Arab states; and (d) the constant state of war between Israel and the Palestinians. These four factors are inextricably linked to, and directly originate from, the post-war unstable regional security order initially underwritten by European colonial powers after the disintegration of the Ottoman Empire at

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[*] Professor of Political Science, Okanagan University College, Canada.

the end of World War I and subsequently propped up by the U.S. after World War II.

Since the end of World War II, the U.S., as the preponderant outside power in the region, has sought to maintain stability and order in the Middle East through an artificial balance of power between regional rivals[1], and American policy-makers have traditionally relied on the so-called "three pillars" – Israel (1948 to present), Iran (1953-1979), and Saudi Arabia (1939 to present) – to control the strategically important oil-rich Middle East region.[2] The "three pillars"-based regional security order suffered a serious setback when Iran broke away and charted out an anti-U.S. foreign policy course in 1979. Of the remaining two pillars, Israel lost much of its strategic value following the demise of the Moscow-Washington cold war and is currently considered "a strategic liability" in the context of Arab–U.S. relations[3], and Saudi Arabia presently maintains a shaky position vis-à-vis the U.S. following the latter's invasion of Iraq in 2003 in the name of promoting democracy and defeating the Al-Qaeda forces in the region.

Developments in post-invasion Iraq have further pitted Iran and Syria against the U.S., and American policy-makers are apparently losing ground to create a solid Arab balance against Iran which is now more assertive in its foreign policy pursuits and bent on exercising its natural pre-eminence in the Persian Gulf and Greater Middle East are.[4] Two clearly identifiable contradictory trends currently characterize the Middle East security order – Washington's efforts to impose its own post-September 11, 2001 version of security on the region through democratization of regional states and preemptive military action to deter challengers, and intraregional pressures led by Iran to thwart the U.S. version of security and eliminate U.S. presence from the region. This paper argues that the post-war security structure in the Middle East developed under U.S. supervision is breaking down giving rise to a new security order with two important pillars – Iran-centered Shiite Crescent stretching from Iran to Lebanon, and Saudi Arabia-centered Gulf Cooperation Council (GCC) states backed by Egypt and Jordan. Stability and peace in the new security order will depend on how Iran and the GCC states manage their

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[1] Kenneth M. Pollack, *The Persian Puzzle: the conflict between Iran and America* (New York: Random House, 2004); Lawrence G Potter and Gary Sick, *Security in the Persian Gulf: Origins, Obstacles and the Search for consensus* (New York: Palgrave, 2002).

[2] Douglas Little, "Gideon's Band: America and the Middle East since 1945," in *America in the World: The Historiography of American Foreign Relations since 1941*, ed., Michael J. Hogan (Cambridge: Cambridge University Press, 1995), 462-500.

[3] Bernard Lewis, "Rethinking the Middle East," *Foreign Affairs* 71, no.4, (1992): 99-119; John J. Mearsheimer and Stephen M. Walt, "The Israel Lobby and U.S. Foreign Policy," *Middle East Policy* 13, no.3(2006): 29-87.

[4] Middle East Institute MEI Conference "Iran on the Horizon" Panel II: Iran and the Gulf',http://www.mideasti.org/transcript/conference-iran-horizon-february-1-2008 (accessed April 4, 2008).

bilateral and multilateral tensions and conflicts, underwrite the rules of engagement and promote cooperation for peace and security between them. In seeking to develop this argument, this paper first maps out the basic components and operational premises of, and challenges to, the post-1945 U.S.-led security order that has deep roots in the region's colonial past and then sketches out the architecture and analyzes the viability of the emerging new security order.

Colonial Powers and Security in the Middle East

European Colonial penetrations in the Middle East began to take concrete roots in the second half of the nineteenth century but the region came under direct and formal colonial control only after World War I. Britain and France formally entered the region in 1919 under the authority of the now-defunct League of Nations Mandate Systems that accorded them the rights to oversee the former Ottoman Arab territories. London and Paris, however, secretly negotiated and concluded the Sykes-Picot Agreement (1915-1916) during the war and arbitrarily divided their spheres of control and domination of Arab people and their land. According to this secret deal, France was to achieve control over the Levant coastal area (Lebanon and Syria), and Britain the right to oversee Iraq and Transjordan. Palestine was to remain an international zone. As the First World War drew to an end, the Americans urged the formation of the League of Nations Mandate Systems to ascertain the wishes of the Arabs while France insisted that the Sykes-Picot Agreement be carried out. Britain and France eventually renegotiated some provisions of this secret agreement, and under the mandates Palestine was placed under British control and Syria was given to the French.

Britain's colonial involvement in the Middle East has been much deeper than that of France, and British efforts to penetrate the region were spurred by a number of clearly defined strategic goals. Cohen mentions three such strategic goals – securing the sea lanes from the Mediterranean via the Red Sea to India, expansion of trade in the Middle East, South and East Asia, and elimination of piracy in the Arabian Sea and the Indian Ocean.[5] To achieve these objectives the British forces first occupied Egypt in 1882 and took control of the Suez Canal opened for commercial navigation in 1869. Earlier, the military invasion of the Sudan in 1879 resulted in the establishment of an Anglo-Egyptian Sudan condominium that gave the British control over the western shores of the Red Sea. The establishment of military bases in Suez, that commands the southern entrance of the Red Sea, after 1882 enabled them to dominate not only the Red Sea but also the gateway to the Mediterranean.

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[5] Saul Bernard Cohen, *Geopolitics of the World System* (New York: Rowman & Littlefield Publishers, Inc., 2003), 328.

In the south-eastern part of the Arabian Peninsula that covers the Persian Gulf and its littoral states including Iran, the British did not venture military invasion but instead concluded bilateral treaties with Bahrain (1867), the Trucial States (present day United Arab Emirates) (1892), and Kuwait (1899) to control the Gulf and put down pirates in the Arabian Sea.

The discovery of petroleum in the Abadan area of Iran in 1907 prompted the British to further get enmeshed in the political, economic and strategic affairs of the Persian Gulf region. The immediate threats remained the Ottoman Empire that controlled most Arab territories and Tsarist Russia that bordered on northeast Iran. The Ottoman Empire's entry into the First World War on German side threatened British oil interests in the Gulf and triggered a British attack on the Turks in Iraq that resulted in the seizure of Baghdad in 1917. Britain also actively supported Ibn Saud, ruler of central Arabian province of Nejd, against the Ottoman Turks and concluded a treaty with him in 1924 that granted the British a special status in Kuwait, Bahrain, Qatar, and Oman. The Ottoman threats were thus minimized but threats from Tsarist Russia were more formidable. By 1907 the influence of the Russian Empire extended from its Caspian Sea bases through Tehran to Mashad in eastern Iran. The Russians also attempted to control Afghanistan, the land gateway to India. While British military bases along the Persian Gulf west coast prevented further Russian penetration into the region, a series of wars with the Afghans and the subsequent conclusion of formal agreements between Afghanistan, Russia, Persia and Britain neutralized the Russian threats to British India[6].

From 1882 until the end of World War II, Britain was the dominant military and economic power in the Middle East. Direct British presence in the mandated territories, however, came to an end with the granting of independence to Jordan in 1946 and to Iraq in 1952. French mandate over Lebanon and Syria ended in 1945 and 1946 respectively. During their long presence in the Middle East, the British employed a variety of military strategies to maintain regional security and stability. Two dimensions of their military policy stand out here – imposition of control on the region through the application of military force, and keeping other European competitors like France and Russia out. To this end, they concluded treaty relations with friendly states in the Persian Gulf, established military bases and maintained offshore naval forces which allowed them to continue imperial rule.[7] There were no efforts to establish a collective security system or to try a balance of power mechanism to maintain security and peace. Since Britain was the outside imperial power, the idea of collective security usually built against a

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[6] Cohen, *Geopolitics of the World System*, 328-29.
[7] J. E. Peterson, *Defending Arabia* (London: Croom Helm, 1986).

common external enemy was rather irrelevant[8], and the balance of power mechanism failed to command much relevance due to the taming of rival mandated territories competing politically and militarily.

The U.S. and Post-War Middle East Security Order

In contrast to the British, the American political and strategic involvement in the Middle East started only in the mid-1930s, although driven by a similar set of strategic objectives. The Standard Oil of California (Socal) discovered oil in the west coast of the Persian Gulf in 1936 and started commercial production two years later at Al-Dammam on the Al-Hasa coastal plain in eastern Saudi Arabia. Socal's local subsidiary in Saudi Arabia came to be known as the Arabian American Oil Company (Aramco) and it subsequently became the principal vehicle of ever growing relationship between Saudi Arabia and the U.S.[9]

Until 1939 the U.S. had mainly cultural and religious interests in the Middle East and American officials regarded it as a European sphere of influence. DeNovo mentions that instead of public involvement in regional affairs, promotion of private American investments in the region's oil resources was the preferred American policy approach[10]. The Second World War brought about a fundamental change in this policy. U.S. war efforts dictated closer relations with the Persian Gulf states to secure access to oil resources to keep the war machine rolling down[11]. The Arab nationalist challenges to British and French rule in the 1920s and 1930s evoked American sympathy for Arab self-determination[12], and the pressures of American Zionists also forced Truman, then a senator as early as 1939, to favour a Jewish homeland in Palestine.[13] An additional economic incentive was that the

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[8] See Richard L. Russell, "The Persian Gulf's Collective Security Mirage," *Middle East Policy* 12 no.4, (2005): 77-88.

[9] Irvine Anderson, *ARAMCO, The United States, and Saudi Arabia: A Study of the Dynamics of Foreign Oil Policy 1933-1950* (Princeton: Princeton University Press, 1981); Aaron David Miller, *Search for Security: Saudi Arabian Oil and American Foreign Policy, 1939-1948* (Chapel Hill: University of North Carolina Press, 1980); David S. Porter, *Oil and the American Century: The Political Economy of U.S. Foreign Oil Policy, 1941-1954* (Baltimore: Johns Hopkins University Press, 1986).

[10] John A. DeNovo, "On the Sidelines: The United States and the Middle East between the Wars, 1919-1939," in *The Great Powers in the Middle East, 1919-1939,* ed., Uriel Dann (New York: Holmes and Meier, 1988); idem, *American Interests and Policies in the Middle East, 1900-1939* (Minneapolis: University of Minnesota Press, 1963).

[11] Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon and Schuster, 1991), 391-408.

[12] Thomas A. Bryson, *Seeds of Mideast Crisis: The United States Diplomatic Role in the Middle East during World War II* (Jefferson, NC: McFarland, 1981).

[13] Michael J. Cohen, *Palestine: Retreat from the Mandate – the Making of British Policy, 1936-45* (New York: Holmes and Meier, 1978), 125-39.

U.S. eyed the huge markets in the Middle East to expand American exports to avoid possible post-war economic contraction.[14]

The war-time U.S. involvement in the Middle East again changed in the immediate postwar period. The Truman administration defined its Middle East policy based on two fundamental considerations: (a) unhindered access to Persian Gulf oil; and (b) the creation and maintenance of an anti-Soviet regional security framework.[15] Secure access to Persian Gulf oil was considered vital to American national security because oil was necessary not only to fuel the American economy but also to facilitate European recovery under the Marshall Plan. In order to acquire exclusive control over its oil resources, the U.S. offered King Abdulaziz Ibn Saud of Saudi Arabia military assistance and advised him to distance himself from the British. At the same time, the State Department directly assisted Aramco to build the Dhahran–Sidon (Lebanon) oil pipeline for quick delivery of oil to the war-ravaged West European economies.

The Truman administration, haunted by the possibility of Soviet military intervention or political subversion to undermine American control or influence in the region, adopted a policy of containment to discourage the Soviets from making inroads into the region. Indeed, the Greek civil war, Soviet refusal to withdraw troops from northern Iran in 1945-1946, and Moscow's support to the revolutionary nationalist Gamal Abdel Nasser's government in Egypt were interpreted in Washington as concrete evidence of Soviet intentions to have a solid foothold in the Middle East. And all post-war American administrations from President Harry Truman down to President George Bush anchored their Middle East policy on two overriding goals, namely access to Persian Gulf oil and deterrence to external and internal threats to U.S. security interests in the region. The realization of the two goals was and still remains dependent on the creation of a stable regional security order friendly to American interests. The American policymakers have relied on two complementary mechanisms – the creation of friendly regional pillars, and the promotion of a balance of power between regional rivals – to establish such an order. None of the two mechanisms have proved successful and the reasons, analyzed below, are many.

The Iranian Pillar: From Friend to Foe

The post-war U.S. overtures to Iran were dominated by fears of Russian ambitions for access to the oil-rich Persian Gulf.[16] In the early years of World

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[14] Nathan Godfried, *Bridging the Gap between Rich and Poor: American Economic Development Policy toward the Arab East, 1942-1949* (New York: Greenwood Press, 1987).

[15] Douglas Little, "Gideon's Band," 466-71.

[16] Cohen, *Geopolitics of the World System*, 330; Richard Pfau, "Containment in Iran, 1946: The Shift to an Active Policy," *Diplomatic History* 1, no.4 (1977): 359-72.

War II, Joseph Stalin's Russia occupied Iranian Azerbaijan to facilitate transshipment of Allied aid to Russian army through the Persian Gulf. Stalin changed his policy soon after the war came to an end and in an attempt to expand the Russian sphere of influence directly encouraged the Azeris to rebel against Tehran. The Azeris established a short-lived communist state in 1946 which was soon crushed by the Iranian army. Backed by the Russian forces the Kurds in northwestern Iran also rose against Tehran in 1946 but their plan to establish a communist state also failed to see the light of the day.[17] The Russian maneuvering in Iran convinced President Truman and other Allied leaders of the need to force Stalin to withdraw from Iran. Moscow still continued to support the Iranian Tudeh (Communist) Party and nationalist forces led by firebrand nationalist leader Mohammed Mossadegh whose Iranian National Front party opposed Anglo-American oil interests in Iran and the rule of the Shah. In 1951 Mossadegh's party won a parliamentary majority and, with tacit Soviet support, nationalized the Iranian oil industry delivering a massive blow to British and American interests. The Shah was also deposed. Mossadegh demanded higher royalties from the British-owned Anglo-Iranian Oil Company (AIOC) which the AIOC executives not only refused but responded by lending a hand to conspiracies against his government.[18]

Britain and the U.S. reacted sharply first by boycotting Iranian oil and then by forcing Mossadegh from office in 1953 through a coup orchestrated by a coalition of right-wing military officers and the clerics that brought the conservative forces back to power and the Shah to his throne. American actions to topple Mossadegh's nationalist government were motivated by economic interests[19] as well as Mossadegh's flirtation with Moscow.[20] The U.S. soon moved closer to the Shah by concluding a mutual assistance treaty in 1959. Iran was also a party to the U.S.-sponsored Central Treaty Organization (CENTO) along with Britain, Iraq, Pakistan and Turkey.

The post-Mossadegh developments in Iran saw a sharp rise in Iranian nationalism fuelled by an unparalleled anti-American sentiment[21]. Nevertheless, as long as the Shah ruled (1953-1979) Iran-U.S. relations

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[17] Cohen, *Geopolitics of the World System*, 334.

[18] William Roger Louis, *The British Empire in the Middle East, 1945-1951: Arab Nationalism, the United States, and Postwar Imperialism* (New York: Oxford University Press, 1984), 632-89.

[19] David Horowitz, *The Free World Colossus: A Critique of American Foreign Policy in the Cold War* (New York: Hill and Wang, 1965), 187-88; Richard J. Barnett, *Intervention and Revolution: The United States in the Third World* (New York: World, 1971), 225-29.

[20] John Prados, *President's Secret Wars: CIA and Pentagon Covert Operations from World War II through Iranscam* (New York: W. Morrow, 1986), 91-98; Kuross A. Samii, *Involvement by Invitation: American Strategies of Containment in Iran* (University Park, PA: Pennsylvania State University Press, 1987), 113-45.

[21] Richard Cottam, *Nationalism in Iran: Updated through 1978* (Pittsburgh: University of Pittsburgh Press, 1979).

continued to develop in all fields – political, economic and strategic. Iranian oil resources, in particular, attracted massive U.S. investments and the Shah also managed to get the latest military equipment and technology from the U.S. In 1972 the Shah and former President Richard Nixon negotiated a huge arms deal that included high performance jet fighters. Bolstered by American military backing Iran sought to turn the Persian Gulf into an Iranian backwater. In November 1971, the Shah sent troops to take control of Abu Musa Island guarding the mouth of the strategically important Strait of Hormuz. The Iranian troops also occupied the nearby Tunb Islands soon thereafter. The United Arab Emirates (UAE) disputes the ownership of these islands and this territorial conflict between Iran and the UAE remains unresolved till today.

During the period from 1954 to 1979 Iran–U.S. relations developed a number of significant features. Iran became a major supplier of oil to the U.S. whose arms supplies strengthened it militarily. The Shah, in fact, became an American proxy in the region which was evidently manifested in the Shah's refusal to participate in the Arab oil embargo precipitated by the October 1973 Arab-Israel war and his decision to send troops to suppress the anti-western Marxist-dominated Popular Front for the Liberation of Oman.[22]

The Shah's rule in Iran came to an end in 1979 due to a host of factors, including his closeness with Washington and the perceived loss of an independent Iranian foreign policy, the drift toward secularism, and the dereliction of Islamic values and norms. Domestic grievances eventually paved the way for the 1979 Islamic Revolution and the installation of an Islamic government in Tehran. Iranian foreign policy at once took a u-turn – old allies soon parted ways and became each other's enemy. The supreme leader Ayatollah Khomeini charted a foreign policy course independent of the U.S. and projected Iran as a crusader nation against oppressions and injustices worldwide.[23] The U.S. moved ahead to contain Iran by imposing sanctions and prompting Saddam Hussein to initiate a war that lasted for eight years and poisoned Iran–Iraq relations until 2003 when Saddam was ousted from power.

Since 1979 Iran–U.S. relations have moved from bad to worse with Iran's drive for nuclear energy being the latest bone of contention between the two countries. Currently, their relations center around a good number of contentious issues that include Iran's alleged anti-U.S. role in Iraq, the nuclear issue that holds the potential for open armed conflict, and Iran's quest for supremacy in the Persian Gulf that directly threatens U.S. oil and security interests in the region. The strained relations between Iran and the U.S. reflect

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[22] James A. Bill, *The Eagle and the Lion: The Tragedy of American-Iranian Relations* (New Heaven: Yale University Press, 1988), 154-82.

[23] See Ziba Moshaver, "Revolution, Theocratic Leadership and Iran's Foreign Policy: Implications for Iran–EU Relations," *The Review of International Affairs* 3, no.2 (2003): 283-305.

"a clash of hegemonies"[24] and it is unlikely that Tehran and Washington would ever develop the warmth that characterized their relations for almost three decades from the early 1950s to the late 1970s.

The Israeli Pillar: from Strategic Asset to Strategic Liability
Israel became a major factor in U.S. foreign policy under the Truman administration that backed Zionist efforts to win UN support for the partition of Palestine and Washington finally recognized the state of Israel in May 1948.[25] President Truman's decision to support the creation of Israel, as Cohen argues[26], was driven by supposed British vulnerability in the Middle East and the perceived strategic value of Israel as a bulwark against Soviet influence. With the exception of the Eisenhower administration that supported Egypt in its 1956 Suez War against Britain, France and Israel, all post-Truman administrations in Washington have strongly stood by the Israeli cause.

Beginning with the Kennedy administration, America's commitment to Israel's security deepened with secret assurances of American help against future Arab attacks alongside efforts to resolve the Palestinian refugee problem through repatriation and resettlement.[27] The Johnson administration did court Saudi Arabia and Iran as two important pillars of U.S. Middle East policy after the UK had mostly pulled out of the region by 1966[28], but Israel still remained U.S. policymakers' main concern. This was symbolized by the decision to airlift military supplies to Israel during the June 1967 Arab-Israel war. The Nixon administration pursued the same policy of the Johnson administration but, because of a humiliating military defeat in Vietnam, adopted a new doctrine of "proxy wars" that called for American reliance on regional powers to combat growing Soviet influence in the Middle East and other regions.[29] The loss of the Iranian pillar in 1979 forced the Carter and Reagan administrations to depend more and more on two pillars – Israel and Saudi Arabia – to fight the two sources of menace – Soviet communism, and Iranian fundamentalism. During the administration of George Bush Sr, Saudi–

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[24] James A. Bill, "Iran and the United States: A Clash of Hegemonies," *Middle East Report*, no. 212 (1999): 44-46.

[25] Peter Grose, *Israel in the Mind of America* (New York: Knopf, 1983), 137-58.

[26] Michael J.Cohen, *Palestine and the great Powers, 1945-1948* (Princeton: Princeton University Press, 1982).

[27] Herbert S. Parmet, *JFK: The Presidency of John F. Kennedy* (New York: Dial Press, 1983), 225-35; Steven L. Spiegel, *The Other Arab-Israeli Conflict: Making America's Middle East Policy from Truman to Reagan* (Chicago: University of Chicago Press, 1985), 94-117.

[28] David E. Long, *The United States and Saudi Arabia: Ambivalent Allies* (Boulder, Colo.: West view Press, 1985).

[29] Michael A. Palmer, *Guardians of the Gulf: A History of America's Expanding Role in the Persian Gulf, 1883-1992* (New York: Free Press, 1992), 82-88.

U.S. relations deepened specifically after the 1991 Gulf War against Saddam Hussein and American foreign policy basically became more wedded to one pillar – Saudi Arabia – after the war. Under the current George Bush administration the United States apparently depends on no particular pillar but its decision to invade Iraq in 2003 was driven by American as well as Israeli interests and security concerns.[30]

Israel's strategic value to the U.S. policy-makers during the long cold war period was promoted by two important factors – Arab revolutionary nationalism spearheaded by Gamal Abdel Nasser, and growing relations between the Soviet Union and Arab radical regimes in Syria, Iraq and South Yemen. Nasser captured power in 1952 by toppling the pro-British King Farouk and adopted an anti-British and anti-Israel foreign policy posture. The Israeli policy-makers considered Nasser a formidable foe and decided to attack Egyptian troops at Gaza in February 1955. This event largely forced Nasser to seek military help from the former .SR which, under Nikita Khrushchev, was trying to penetrate the Arab world. He signed a military accord with USSR in 1956 causing panic in Washington and London.[31] Although Washington sided with Egypt during the 1956 Suez War and Anglo-American relations suffered to a great extent because of it, Nasser's anti-imperialist rhetoric did not subside. President Eisenhower responded in early 1957 with a new policy, which came to be known as the Eisenhower doctrine and meant that the U.S. would use military force to ensure order and stability in the region.[32] Egypt–U.S. relations took on a collision course giving Israel its leverage in U.S. Middle East policies that growing Arab nationalism and vacuum created by Anglo-French withdrawal from the region was fashioning.

Nasser's revolutionary nationalism soon inspired other Arab leaders. Pro-Nasser leaders captured power in Syria in August 1957 and quickly merged with Egypt to form the United Arab Republic (UAR) in early 1958 to avoid American military intervention. Iraq fell to the left-wing military officers on 14 July 1958, who torpedoed the CENTO and turned toward Moscow. The Iraqi Baath Party came to power subsequently in 1963 and after initial hesitation signed a friendship treaty with Moscow in 1972 that expanded the sphere of Soviet influence in the Middle East. South Yemen achieved independence from Britain in 1967 and soon declared itself as a Marxist state. The Soviet navy built a base in Aden previously controlled by Britain and operated from this base until North and South Yemen formed a unified state in 1990.

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[30] Lawrence Davidson, "Privatizing Foreign Policy," *Middle East Policy* 13, no.2 (2006):134-147; Merasheimer and Walt, "The Israel Lobby".

[31] Donald Neff, *Warriors at Suez: Eisenhower Takes America into the Middle East* (New York: Linden Press/Simon and Schuster, 1981).

[32] Little, "Gideon's Band," 485.

The challenge of revolutionary Arab nationalism and growing Soviet influence in the Middle East not only endangered American interests in the Middle East, but also put Israel's defense at bay. Israel, in fact, initiated the 1956 and 1967 wars with Egypt and Syria to circumvent Arab nationalist pressures and the Soviet influence. In the 1950s and 1960s, the Israeli army acted as deterrence to forces seeking the overthrow of the Jordanian monarchy and to Palestinian influence in Lebanon. Protection of Arab conservative governments has also been an overriding American objective in the region. Israeli and American interests thus converged on many occasions.[33] But the end of the cold war seems to have almost washed away Israel's strategic significance for American foreign policy. In the cases of tumultuous Middle East developments like the 1991 Gulf War and the 2003 invasion of Iraq the Israeli army was of no value to U.S. war efforts. While the possibility of fracture in the Arab–U.S. alliance against Saddam Hussein in 1991 prevented the U.S. from using Israeli military bases to launch an attack on Iraq, anti-Israel Muslim backlash strongly discouraged President Bush to include Israel in the so-called "coalition of the willing" in 2003. Moreover, on both occasions the U.S. had to provide Israel with additional military aid to ensure its defense against Iraqi attacks.[34] Strong anti-American sentiments prevailing in the Arab and Muslim world would also prevent the U.S. from using Israel as a proxy against other Muslim states, including Iran. All this would seem to suggest that Israel was no longer a strategic asset but a liability for the Americans.

The Saudi Pillar: Unstable and Collapsing
Unlike Iran and Israel, the Kingdom of Saudi Arabia was never a staunch ally of the US. Before the outbreak of World War II, the kingdom was more allied with Britain politically, economically and diplomatically.[35] Relations with the U.S. began to solidify during the war period and by 1945 Saudi Arabia turned into an "American protectorate".[36] Britain tried to maintain its influence over the kingdom but conceded defeat in the face of American power and capital[37]. The landmark event that initiated the turning point in Saudi–U.S. relations was the February 1945 meeting between U.S. President Franklin D. Roosevelt and Saudi King Abdulaziz Ibn Saud aboard the USS Quincy in the Suez Canal.

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[33] Steven L. Spiegel, "Israel as a Strategic Asset," *Commentary* (June 1983): 51-55.

[34] Mearsheimer and Walt, "The Israel Lobby," 32.

[35] Clive Leatherdale, *Britain and Saudi Arabia 1925-1939: the Imperial Oasis* (London: Frank Cass, 1983).

[36] Robert Vitalis, "Black Gold, White Crude: An Essay on American Exceptionalism, Hierarchy, and Hegemony in the Gulf," *Diplomatic History* 26, no.2 (2002): 193.

[37] Simon Davis, "Keeping the Americans in Line? Britain, the United States and Saudi Arabia," *Diplomacy and Statecraft* 8, no.1(1997): 96-136; Robert Vitalis, "The New Deal in Egypt: the Rise of Anglo-American Commercial Competition in World War II and the Fall of Neocolonialism," *Diplomatic History* 20, no. 2 (1996): 211-240.

Growing Saudi–U.S. security, energy cooperation and trade relations flow from the "special relationship" the two countries developed after that historic meeting.

Under the Roosevelt administration, Saudi–U.S. relations thrived on America's oil interests, principally represented by Aramco, and the evolving pattern of military security the U.S. extended to the House of Saud. To facilitate oil production and timely oil supply for Allied war efforts, Aramco built the kingdom's first major oil refinery, American-owned Transworld Airlines won the contract to fly the Saudi civil aircrafts and all public works of the kingdom were managed by the California-based Bechtel Brothers' farm. Saudi economic hardship, partially caused by disruption in oil production during the war and a shortfall in taxes due to a decline in the number of pilgrims to Mecca, forced the House of Saud to seek American economic help and grant Aramco oil concessions on convenient terms.[38]

The security imperative, on the other hand, forced the House of Saud to accept the American offer of military assistance. The U.S. built a military base at Dhahran, close to Aramco operated oil fields, in 1945 and by the 1950s it became the largest American military base in the Middle East. American troops left the Dhahran military base in 1962 in the face of growing anti-American sentiments throughout the kingdom but reoccupied it in August 1990 when Saddam Hussein invaded Kuwait and the Saudis requested immediate American military aid to contain Iraqi military threats.[39] After the 1991 Gulf War, Saudi Arabia has been the principal buyer of U.S. military hardware and technology amounting to at least US$100 billion in the last quarter century.[40]

The Saudi–U.S. "special relationship" has thrived despite occasional tensions and ruptures. In the 1950s and 1960s Nasser's anti-western postures and inter-Arab rivalry, what Kerr labels "Arab Cold War"[41], initially cast a shadow on Saudi–U.S. relations. The Arab world got divided into two rival camps by the end of the 1950s – the revolutionary nationalists led by Nasser and the Arab conservatives led by Saudi Arabia. The intra-Arab cold war notwithstanding, Saudi Arabia sided with Egypt and Syria over the 1973 Arab-Israeli war. The unconditional and quick military assistance the U.S. provided to Israel during the war greatly disturbed then Saudi King Faisal Ibn Abdulaziz who decided to participate in an Arab oil embargo on the West. Riyadh's participation in the oil embargo did not result in a reorientation of Saudi foreign policy towards the U.S. but it emphasized the independence the Saudis

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[38] Vitalis, "Black Gold, White Crude," 194-96.

[39] Timothy Mitchell, "Islam in the U.S. Global Order," *Social Text* 20, no.4 (2002): 8.

[40] Josh Pollack, "Saudi Arabia and the United States, 1931-2002," *Middle East Review of International Affairs* 6, no.3 (2002): 83-84.

[41] Malcolm A. Kerr, *The Arab Cold War: Gamal Abd al-Nasir and His Rivals, 1958-1970* 3rd ed (London & New York: Oxford University Press, 1971).

could exercise during crisis periods. The two states developed more intimate relations after the 1979 Iranian Revolution. However, the 1991 Iraqi invasion of Kuwait played the most significant role in cementing Saudi–U.S. bilateral relationship that continued throughout the 1990s.

The 2003 U.S. invasion of Iraq brought Saudi–U.S. relations to a critical juncture. Unlike their unconditional support to the U.S. during the 1991 Gulf War against Iraq, the Saudis this time dithered and refused to let the American forces use their territory to launch an invasion on Iraq. Saudi foreign policy in the post-Iraq invasion period has developed two distinct features – strong diplomatic initiatives to resolve regional conflicts, and a careful distancing from the U.S. over the Iraq question.[42] In December 2006, King Abdullah personally met the Hezbollah leaders and directed efforts to resolve the political crisis in Lebanon; Saudi diplomats succeeded in brokering the Mecca power-sharing agreement between rival Palestinian factions – Fatah and Hamas – on February 8, 2007. Back in 2002 at the Arab League Beirut summit, the then Crown Prince Abdullah presented an Arab peace plan to end the conflict between Israel and the Palestinians. By 2007 Saudi opposition to U.S. military presence and policy in Iraq reached a point of heightened tension. King Abdullah, at the 2007 Arab League Summit meeting in Beirut strongly condemned U.S. presence in Iraq and called it an "illegitimate foreign occupation".

In the post-2003 context, domestic challenges have played a crucial role in reshaping Saudi foreign policy. Most of the challenges originate from the mechanics of how the Saudi state was created by 1925.[43] In the early 20th century three distinct groups of forces – British imperialism, the *muwahhidun* or *Ikhwan* (Islamic Brotherhood) forces, and the House of Saud – together laid the foundation of the Kingdom of Saudi Arabia. Prince Abdulaziz Ibn Saud, the original founder of the House of Saud, captured his family's former base Riyadh in central Arabia in 1902. Later, he developed relations with the British and the *muwahhidun* movement spirited by the teachings of Muhammad Ibn Abd-al Wahhab (1691-1787) who fought against non-Islamic practices like venerating saints by worshipping at their tombs, personal corruption and immorality and sought to revive the original and pure form of Islam left behind by the Prophet Muhammed (PBUH).

Backed by British financial and military support, Abdulaziz Ibn Saud and his *muwahhidun* forces overran eastern Arabia in 1913-14 and eventually defeated the ruler of Hejaz in western Arabia in 1925. Once the Arabian

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[42] John Duke Anthony, "Gulf-U.S. Relations: Going where?," 3-4, http://www.saudi-us-relations.org/articles/2008/ioi/080408-anthony-gcc.html(accessed   May   26, 2008).

[43] Alexei Vassiliev, *The History of Saudi Arabia* (New York: New York University Press, 2000).

Peninsula came under control, the *muwahhidun* forces pushed northward to free and introduce puritan Islam in Iraq and Jordan which were British protectorates at the time. Ibn Saud could not afford to fight the British but instead turned against *muwahhidun* forces and crushed them with British help by 1930. In 1933 Ibn Saud granted oil concessions to Socal and the presence of foreign oil company officials on Arabian soil forced him to make a compromise with the religious establishment. The *muwahhidun* leaders agreed to tolerate Socal officials in exchange for oil royalties to be used to spread the puritan Islamic teachings. A new political order thus came into existence in Saudi Arabia with the *muwahhidun* forces providing domestic support for the House of Saud and the Socal and later Aramco tapping oil resources and developing economic infrastructure of the Saudi state[44].

The long compromise between the *muwahhidun* forces and the House of Saud began to collapse months after the U.S. had invaded Iraq. The *muwahhidun* forces interpreted the U.S. military assault on Afghanistan to eliminate Al-Qaeda forces and the bombing of Iraqi cities and civilians as a war on Islam and in November 2004 they publicly called for *Jihad* (holy war) against the U.S. to free Iraq. The Saudi royal family is also divided over the role of the religious clerics who are allied to Al-Qaeda[45]. Saudi branch of Al-Qaeda has mounted increasing pressure on the House of Saud to distance the kingdom from the American shadow. They launched some high profile attacks on Americans and other foreign workers on May 12, 2003 and on Saudi interior ministry in December 2004.

The House of Saud represents a paternalistic form of family rule and depends on the religious establishment for support. The split between the religious forces and the royal family no longer permits a squarely pro-American foreign policy stance and Saudi Arabia's current non-committal approach to the Bush administration comfortably suggests that the kingdom no longer remains an important pillar of the U.S. Middle East policy. Anthony notes that the Saudi and other GCC leaders were cool to U.S. efforts in 2007 aimed at drumming up support for a war against Iran over Tehran's disputed nuclear programme[46].

Security and Stability Through Balance of Power

Power balancing between regional rivals became a stark foreign policy choice with the Carter and Reagan administrations' efforts to contain the cross-border impact of the 1979 Iranian Revolution. During the Iraq-Iran war (1980-88) the U.S. sided with Saddam's Iraq and provided it financial and military aid

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[44] Mitchell, "Islam in the U.S. Global Order," 9-10.
[45] See Michael Scott Doran, "The Saudi Paradox," *Foreign Affairs* 83, no.1(2004): 35-51.
[46] Anthony, "Gulf-US Relations," 25.

with two clear objectives in mind – to trim the economic and military might of both Iran and Iraq and thus prevent them from becoming too powerful to pose threats to American interests in future; and to ensure security for the smaller Gulf Arab states and Saudi Arabia[47]. Prior to 1979, the U.S. similarly backed the Iranian Shah to play an anti-Iraq role in line with Washington's policy to weaken the pro-Moscow *Baathist* regime in Baghdad. The balance of power strategy, however, backfired in 1990 when the war-exhausted Iraq attempted to grab oil-rich Kuwait to cope with internal economic pressures and to repay huge external debts it incurred during the war with Iran. In order to correct the imbalance in the regional power structure, the U.S. employed two strategies based on the traditional notions of *Realpolitik* – it banded together an international coalition to drive the Iraqi forces out of Kuwait, and then solidified military relations with Saudi Arabia and other Gulf Arab states by concluding a series of bilateral defense treaties.

The immediate post-1991 Gulf War environment in the Middle East signaled two important developments – the Gulf Arab states' suspicion of Iraq and Iran further increased, and the firm role of the U.S. as an external balancer. Worried about their sovereignty and regime security, the GCC states increasingly began to import military technology and hardware to construct and maintain a balance of power vis-à-vis Iran and Iraq. The GCC states also signed a "joint defense pact" between themselves in early 2000 and increased their Peninsula Shield Force from 5,000 to 25,000 to meet immediate security threats and challenges[48]. The U.S., on the other hand, adopted a "forward defense" policy in the region by establishing or modernizing large military and naval bases in Bahrain, Kuwait, Oman, Qatar and the UAE. The objective was to preposition and surge in troops at times of crises. Thus, with Soviet threats receding after 1991 and the new threats posed by Iraq, the Persian Gulf became the principal American military theatre both in strategic thinking and practice.[49]

But power balancing efforts in the 1990s largely failed due to unequal interstate competition and internal problems within the GCC. While Iraq was decisively crippled by UN sanctions from 1991 to 2003, Iran stood by and large as the preeminent power in terms of the size of its economy, population, huge and sophisticated conventional arms build-up and its geo-strategic location extending from the Persian Gulf to the Caspian Sea. The smaller Gulf Arab states were and are no match for Iran; and Saudi Arabia, which has territorial conflicts with Kuwait over Qaresh and Umm al Madarim islands in

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[47] Michael Ryan Kraig, "Forging a New Security Order for the Persian Gulf," *Middle East Policy* 13, no. 1 (2006): 85.

[48] James A. Russell, "Searching for a Post-Saddam Regional Security Architecture," *Middle East Review of International Affairs* 7, no.1 (2003): 35.

[49] Andrew Rathmell, Theodore Karasik, and David Gompert, "A New Persian Gulf Security System," *Rand Issue Paper no. 248*(2003): 3.

the Persian Gulf and is less integrated with other GCC states economically, has never been overtly anti-Iran. The fact that the Shiite Arabs largely populate Al-Hasa, the eastern province of Saudi Arabia bordering on the Persian Gulf, discourages the House of Saud to publicly back anti-Iranian U.S. efforts. The Saudi Shiites are loyal to Grand Ayatollah Ali Sistani of Najaf (Iraq) and thus have strong religious affiliations with Shiite Iran. Other than that, the slow transformation of intra-GCC trade and financial relations erodes the potential of GCC as an effective balance against Iran or future Iraq. Bahrain, Kuwait, Oman, Qatar and the UAE all have bilateral trade deals with the U.S that disempower Saudi Arabia and undermine its emergence as the economic powerhouse of the region.[50]

The failure of balance of power to ensure regional security, and the shortcomings of the "three pillars" approach put Washington in a strategic dilemma by the end of the 1990s. The Middle East, more specifically the Persian Gulf region, is vital to American economic, strategic, and trade interests. Currently, the U.S. consumes more than 20 million barrels of oil a day while its domestic oil production was 7.61 million barrels a day in 2005.[51] The Persian Gulf oil remains "the easiest and least costly to produce anywhere on the planet" and the oil and gas-generated Arab wealth and investment in the American economy, which reached close to US$200 billion by 1990[52] and kept increasing thereafter, contributes "directly and indirectly to the employment and livelihoods of millions of Americans".[53] The U.S. free access to Gulf oil is coming under tough competition mounted by energy-hungry China and India that respectively consume 7 million and 2.5 million barrels of oil a day. China imports more than 40 per cent of its energy from abroad and in 2004 it surpassed Japan to become the world's second-largest energy-consuming country. The Middle East oil exporters supply some 51 per cent of China's energy needs. In 2004 China also signed a mega oil and gas development deal with Iran[54]. An additional serious concern has been the Iranian military technology and missile power that can easily target the U.S. military bases in the Gulf and cut off oil supplies to the U.S. economy.[55]

U.S. strategic policy and posture toward the Middle East changed dramatically by the early 2003. The Bush administration discarded the previous

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[50] Kraig, "Forging a New Security Order," 92-93.

[51] Ali R. Abootalebi, "Iran and the Future of the Persian Gulf Security," (paper presented at the Midwest Political Science Association Annual Meeting, Chicago, Palmer House, April 12-15, 2007), 13.

[52] Youssef M. Ibrahim, "Arab Investment Overseas: A Vast Empire," *New York Times*, April 30, 1990.

[53] Anthony, "Gulf-US Relations," 5-6.

[54] Dingli Shen, "Iran's Nuclear Ambitions Test China's Wisdom," *The Washington Quarterly* 29 no.2 (2006): 60-61.

[55] Ruthmell et al, *A New Persian Gulf Security System*, 4.

policies of balance of power and creation of regional pillars, and instead embarked on a policy of direct military control of the region. The new policy rests on two important components – use of military force to bring down hostile regimes seeking weapons of mass destruction, and the democratic transformation of the whole region along the lines of American values and institutions. The original idea was that reordering the Arab and non-Arab societies on American lines would in the long run obliterate threats to American security interests. The new strategy, better labeled "counter proliferation and radical democratic transformation" strategy, started with Iraq in 2003 and was thought to gradually extend to other states in the region. Over the past years since 2003, the new strategy did not yield expected results exactly because the strategy is based on naïve assumptions about other societies and its lack of empirical understanding of regional realities[56]. Quite contrarily, the U.S. invasion of Iraq has raised a specter of Arab fear of "American colonialism" in the Middle East[57] and forced the Arab states to oppose the occupation of Iraq.

The Post-U.S. Withdrawal Security Order

The foregoing discussion makes the point clear that the Middle East regional security order has been unstable because of two prime factors – the colonial and military presence of outside powers and the lack of a single unifying political core in the region. External military presence has contributed to increasing suspicions and mistrusts between regional states foreclosing avenues for productive dialogue and cooperation between them.[58] The British attempt to control the region through military force in the 1920s and 1930s only ended up in fierce anti-British Arab sentiment and growing opposition. There are similar anti-American outbursts in the region at present. Especially after 2003, Iranians have viewed enhanced U.S. military presence in the Gulf, in Iraq, Afghanistan and some Central Asian republics as the biggest military challenge to Iran's security and political independence.[59]

The other reason of security instability in the Middle East is the intraregional geopolitical tensions that arise from the poly nodal power structure of the region. Historically, the region was never under the rule of a single imperial or democratic ruler. Rival dynasties had ruled different parts of the region at different historical periods being based in Babylon, Baghdad,

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[56] Kraig, "Forging a New Security Order," 92.

[57] Russell, "The Persian Gulf's Collective Security," 82.

[58] Saleh A. Al-Mani, "[Persian] Gulf Security and Relations with Our Neighbours: a Rejoinder," *Security Dialogue* 27, no.3 (1996): 295-301.

[59] James A. Russell, "Wither Regional Security in a World Turned Upside Down?," *Middle East Policy* 14, no.2 (2007):141-148; Amin Saikal, "Iran's New Strategic Entity," *Australian Journal of International Affairs* 61, no.3 (2007): 296-305.

Constantinople or Esfahan. Naturally, no single political core emerged that could unify the region and promote political and security integration.[60] But, beginning with the early 1980s, and more specifically after 2003, there has been the emergence of two powerful political and military centers – the Saudi Arabia-led GCC and the Shiite Crescent[61] led by Iran. The GCC and the Shiite Crescent are apparently rival political camps but they are the two obvious fundamental stones of a future Middle East security order.

The GCC covers the entire Arabian Peninsula excluding Yemen and is an exclusive club of the Arab sheikhdoms. Established in the immediate aftermath of the 1979 Iranian Revolution, the GCC originally had two objectives – containment of the Iranian threats and influence through a collective security platform, and the promotion of peninsular cooperation in industry, agriculture, education, trade and cultural areas. The collective security objective, which has no clear reference in the GCC Charter, was more important in the face of Iranian threats. Still the GCC states, although they formally supported Iraq during the Iraq–Iran war, maintained good diplomatic relations with Tehran and generally avoided getting entangled in Moscow – Washington competitions. However, the August 1990 Iraqi invasion of Kuwait heightened the insecurities of the Gulf sheikhdoms and forced them to seek direct U.S. security protection to stave off future Iraqi or Iranian threats and aggressions. The U.S. response was a "unipolar security system" in exchange for economic and financial benefits.[62]

The 1991 Gulf War played the role of a catalyst to bring about realignments in intra-Arab relations to the advantage of the GCC. The Arab states got divided over the war. Egypt and Syria sided with their longtime rival Saudi Arabia while Libya, Sudan and Yemen supported Iraq. Relations between Egypt and Saudi Arabia greatly warmed under President Hosni Mubarak who took a strong anti-Iraq stance during and after the 1991 war. Egypt's role in the 1991 war elevated it to a leadership position in the Arab world once again and solidified its economic and diplomatic relations with the GCC states. The Hashemite Kingdom of Jordan, that maintained a neutral position in the 1991 Gulf War due to domestic pressures created by its large Palestinian population, has also moved closer to Saudi Arabia and Egypt in recent years to counter Al-Qaeda forces opposed to pro-U.S. Arab kings and dictators. The Jordanian king is equally scared of the rising Iran-centered Shiite

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[60] Cohen, *Geopolitics of the World System*, 341.
[61] See Anoushiravan Ehteshami, "The Middle East: Between Ideology and Geopolitics," in *The Bush Doctrine and the War on Terrorism,* eds., Mary Buckley and Robert Singh (London: Routledge, 2006); Vali Nasr, "When the Shiites Rise," *Foreign Affairs* 85, no.4 (2006): 58-74.
[62] Amin Saikal, "The United States and Persian Gulf Security," *World Policy Journal* 9, no.3 (1992):515-531.

Crescent in the Arab East that menaces all authoritarian Arab monarchies.[63] These three Sunni countries now combine and coordinate their policies to fight Al-Qaeda and counterbalance Shiite resurgence throughout the region.[64]

In contrast to the GCC entity, the Shiite Crescent is a recent development pushed ahead by credible U.S. military threats to Iranian clergy and the Syrian government after the fall of Baghdad to U.S. forces in May 2003. The Bush administration's basic approach and policies toward these two countries forced them down the path to forge some kind of informal alliance and seek Chinese and Russian support to fend off American pressures.[65] The U.S. Congress, despite Syria's significant cooperation with the U.S. on terrorism issues[66], passed the "Syrian Accountability Act" in late 2003 which President Bush signed into law on December 12 the same year. This Act imposed sanctions on Syria aimed to pressuring it to fall in line with Washington. Syria was also forced to end its military presence in neighbouring Lebanon in 2005.

The Congress, in a similar way, and in an attempt to prevent Iran from financing and supporting Shiite groups in Iraq and anti-Israel groups like Hamas and Hezbollah, introduced the "Iran Freedom Act" in January 2004 to subvert the Iranian government[67]. President Bush, in his 2002 State of the Union address, branded Iran as an infamous member of the "axis of evil" and has repeatedly threatened to use force to compel Tehran to give up its disputed nuclear enrichment programme. Since 1979 Iran has also been subjected to numerous unilateral U.S. and U.S.-sponsored UN sanctions. There is no doubt that the extreme anti-Iran and anti-Syria actions and policies of the Bush administration sounded a wakeup call for the Shiites in Iran, Iraq (no longer an enemy of Iran since 2003), Lebanon and Syria to unite against the U.S. and pursue common goals. The nature of intraregional politics in the Arab world also played a significant role in the resurgence of the Shiite Crescent. The historical neglect of the Shiite minorities in the Gulf Arab states and the political suppression of the Shiite majority in Iraq raised Shiite consciousness and motivated them to unite politically across the region.[68]

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[63] Juan Cole, "A "Shiite Crescent"? The Regional Impact of the Iraq War", *Current History* 105, no. 687(2006): 22.

[64] James A. Baker and Lee H. Hamilton, *The Iraq Study Group Report*, 2007, 43- 55, http://www.bakerinstitute.com/publications/iraqstudygroup_findings.pdf (accessed May 28, 2008).

[65] Sanam Vakil, "Iran: Balancing East against West," *The Washington Quarterly* 29, no.4 (2006):51-65.

[66] Seymour Hersh, "The Syrian Bet," *New Yorker*, July 28, 2003.

[67] Davidson, "Privatizing Foreign Policy," 142-44.

[68] Vali Nasr, *The Shiite Revival: How Conflicts within Islam will Shape the Future* (New York: W.W. Norton, 2006).

These two emergent power-centers hold immense strategic, economic and demographic value and potential. As already mentioned above, the Middle East region contains the world's two-thirds oil resources.[69] Saudi Arabia alone possesses 25 per cent of the world's total reserves, the oil reserves of Iran, Iraq and Kuwait account for another 28 per cent while Iraq has the second-largest proven reserves of oil in the world. In addition to that, Iran and Qatar have more than half of the world's gas reserves that have allured Chinese and Indian investments worth billions of dollars. The strategic importance of the Middle East will further increase with Europe becoming a gas deficit economic growth centre by 2015-20.[70] The demographic strength of the Middle East is equally impressive and poised to accelerate, if exploited properly, the pace of economic growth and development tremendously. The total population of the region stands at over 200 millions with the Shiite constituting some 70 per cent of the Persian Gulf population.[71] The big population number itself promises a huge market for sustained intraregional economic dynamics and development cooperation with the promise of progressive reduction in tensions and conflicts. As a matter of fact, the economic locomotive of the Middle East is located at the head of the Persian Gulf covering oil-rich Kuwait, the Basra province of Iraq, and southwestern Iran. Major oil-fields, refineries, oil pipelines and petrochemical industries are built in this area.[72] In the past, deep hostility between Iran and Iraq and tensions between Iran and the smaller Gulf states prevented cooperation needed to develop the Gulf head area to its full potential.

A good number of pull factors, even in the absence of external military presence, would continue to bedevil relations between the Egypt and Jordan-backed GCC on the one hand and the Iran-centered Shiite Crescent on the other. Most prominent of all these factors is the prevailing specter of mutual threat perceptions/misperceptions between them. Iran–GCC relations are dominated more by fear and suspicions and less by the imperatives of cooperation for security and peace. From the Iranian perspective, Iran lives in a dangerous strategic environment and its neighbourhood is infested with threatening foreign troops. After the 1991 Gulf War, the GCC states, particularly Saudi Arabia, stepped up massive arms purchase deals with the U.S. and other suppliers and by 2000 Saudi military expenditures shot up to 13 per cent of its GDP. The Iranians feel they are practically in a state of military encirclement by the U.S. that has troops and military bases all around Iran. The fall of the anti-Iran Taliban regime in Afghanistan and Saddam Hussein in

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[69] World Energy Council, *2004 Survey of Energy Resources* 20th ed (Amsterdam: Elsevier, 2004), 34.

[70] Abootalebi, "Iran and the Future of the Persian Gulf," 12-13.

[71] Nasr, "When the Shiite Rise," 59.

[72] Cohen, *Geopolitics of the World System*, 343.

Iraq, long considered the Sunni defense wall against Shiite Iran, did not dispel Iran's security concerns.[73] The Iranian policy-makers believe that the Arab states unnecessarily view Iran as a threat to their security and that both regional and international actors should recognize the Persian Gulf as Iran's "domain of natural influence"; the GCC states' growing military ties with the U.S. are a threat to Iranian security and independence and that American involvement in regional security should be minimized.[74]

The GCC and other Arab states' perceptions of Iran, on the contrary, add to their feelings of insecurity. Arab policy-makers and scholars, citing Iran's policy to export revolution after 1979, interpret Iran's current drive for nuclear power as an attempt to revive the Old Persian Empire based on Shiite ideology.[75] The Arab states are seeking U.S. security guarantees to counter Iranian hegemony and the arms race between Iran and Saudi Arabia is an outcome of growing Iranian influence in the Persian Gulf region.[76] Generally, Arab perceptions of Iran as a threat originate from a set of geopolitical factors, including Iran's vast territorial size, population strength (70 millions), robust conventional military and naval power, and Iran's drive for hegemonic status in the Middle East. Iranian missile power with the entire Middle East within its reach makes the Arabs nervous and they see their military relationships with the U.S. as a natural bond based on mutual interests.[77]

The contradictory and hostile Arab–Iran threat perceptions, at the same time, are moderated by a host of contemporary developments. Arab participants at a conference in Washington in February 2008 clearly stated that the GCC states viewed current American policies as a part of the problem rather than a solution to the region's security tensions. The invasion and occupation of Iraq brought about a change in their perception of the U.S. as a new colonial power. The GCC states are moreover in favour of engaging Iran politically and economically, and the smaller Gulf Arab states – Oman, Qatar and the UAE – are eager to promote their economic linkages with Iran to avoid confrontation that could destabilize the whole region. Qatar shares the South Pars gas field with Iran, and Dubai in the UAE is host to 8,000 registered Iranian business firms with an estimated US$ 66 billion Iranian

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[73] Middle East Institute, "US Challenges and Choices in the Gulf: Iran and Proliferation Concerns 2002" http://www.mideasti.org/summary/us-challenges-and-choices-gulf-iran-and-proliferation-concerns (accessed May 21, 2008).

[74] The Stanley Foundation, *The Future of Persian Gulf Security: Alternatives for the 21st Century* (Muscatine, IA: The Stanley Foundation, 2005), 4.

[75] "MEI Conference: 'Iran on the Horizon' Panel II: Iran and the Gulf", 2008, http://www.mideasti.org/transcript/conference-iran-horizon-february-1-2008 (accessed April 4, 2008).

[76] The Stanley Foundation, *The Future of Gulf Security: Project Summary Report* (Muscatine, IA: The Stanley Foundation, 2007),11.

[77] Ibid., 5.

assets. The large segments of Shiite populations in Kuwait, Bahrain and Saudi Arabia also indirectly influence the policies of these states to develop better political and economic relations with Iran. Moreover, the Iran – Saudi Arabia cold war (1979-1987) that turned violent after the 1987 Shiite violence in Mecca gave way to détente with the former Iranian President Mohammad Khatami's visit to Saudi Arabia in 1998. Relations between the two countries grew warmer thereafter.[78]

The positive developments in Arab-Iran relations highlight two important points: (a) the Arabs now question the credibility of the U.S. as a harmless security guarantor. The occupation of Iraq, an Arab state and a historic site of Arab civilization, has created enough distrust in the Arab mind and a corresponding impulse to pursue their interests more independently of the U.S.; and (b) the hardened Arab perceptions of Iran as a threat to their wealth and security is gradually dissipating making a rapprochement in Arab– Iran relations possible.

From the Iranian side, there are strong strategic, political, economic incentives to improve relations with the Arab states and create an environment of peace and security throughout the region. Long under unilateral U.S. and UN sanctions, improved relations with the Arab world would definitely help Tehran to effectively come out of international isolation and initiate robust economic growth. Iran's current rate of economic development, despite being the fourth largest oil exporter in the world, is less than impressive and the Iranian government is under pressure to find immediate solutions to many socio-economic ills, including growing youth unemployment. The nature of Iranian economy, which is 80 per cent dependent on oil and gas industries, dictates cooperation with neighbouring states to fight back domestic economic ills and regional hindrances to cooperation. Iran has a relatively advanced and technically skilled manpower which the Arab states and the Central Asian republics can utilize to accelerate the pace of their economic development.[79] Evidently, cooperation with Arab states serves Iran's interests best which, in turn, holds a strong possibility of moderating dominant Iranian foreign policy behavior in the Gulf and in the Greater Middle East region.

Conclusion

The Middle East has been a site of protracted conflicts for over six decades, especially since 1945 to the present. The conflicts have both intraregional as well as extra-regional origins and are responsible for regional hostility, insecurity and political instability. The military presence of external powers and their perceived and real interests in the region have exacerbated intraregional

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[78] Middle East Institute, "MEI Conference".
[79] Abootalebi, "Iran and the Future of the Persian Gulf," 8.

conflicts and tensions to a large extent dividing the entire region into two rival blocs. Since 1945 up to the beginning of the 21st century, the U.S. has futilely attempted to stabilize the regional security order by cultivating close strategic and political relations with the regional heavyweights – Iran, Israel, and Saudi Arabia – and by building up an unstable balance of power that revolved around Iraq and Iran rivalry until 2003 and between Iran and Saudi Arabia-led GCC states since 1981. The U.S. frustration with the two policy approaches culminated in a radically different policy choice under President George W. Bush— the policy of democratization and counter-proliferation, to control the region and protect American oil and security interests. This policy took off the ground with the invasion and occupation of Iraq in 2003 but has yet failed to yield the desired results.

Regional pressures in the wake of invasion and the U.S. debacle in Iraq are forcing the Bush administration to withdraw from Iraq and the Persian Gulf area. The coming U.S. withdrawal promises the emergence of a new security order in the Middle East with two rival political and economic power centers – the GCC-based Arab platform, and the Iran-centered Shiite Crescent – as its two major components. There are sources of internal tensions and conflicts as well as promises of benefits between these two rival power centers. The benefits from cooperation for development and peace and the historic lessons of costly and destructive conflicts and wars clearly outweigh the negative consequences of continued tensions and conflicts. The political and economic incentives for a conflict and war-free Middle East would strongly draw the regional rivals and other states closer to each other and lay the foundation of a stable regional security order anchored on incremental cooperation for development, peace and security.■

U.S. POLICY TOWARDS PAKISTAN
AFTER SEPTEMBER 11, 2001 AND ITS IMPLICATIONS

Dr A.Z. Hilali[*]

Abstract

The incident of September 11, 2001 became a watershed in world politics changing the regional and global security scenario dramatically. Pakistan as a "frontline" state climbed to centre stage in the United States' policy agenda to combat terrorism and to hunt down the remnants of the Taliban and Al-Qaeda network. The U.S. as a great power with global responsibilities and commitments took advantage of Pakistan's desperate need for political, military and economic assistance and made Pakistan its long-term partner to achieve its wider objectives in the region. As a result Pakistan has had to bring about changes in its foreign policy that weighed against advantages look costly. It has also proved that only long-term engagement with Pakistan can prevent the growing terrorism provided the U.S. is able to give a good account of itself as a sincere partner of Pakistan.

$\mathcal{P}$akistan has always been a country of peripheral and derivative interest to the United States and its policy makers have perceived U.S. policies towards Pakistan to be inconsistent.[1] As for Pakistan, the U.S. failed to help in improving Pakistan's security environment as the Kashmir and Durand Line problems remain unresolved while the country was dismembered in 1971 due in part to its over-reliance on the United States. Economically, Pakistan could never claim a desired share in U.S. investments and trade to make it a meaningful partner of the latter. The overall Pak-U.S. relations have varied between indifference, intimacy and hostility. However, the geopolitical realities and strategic compulsions bring the two countries together but divergence of perceptions and policies tend to pull them apart.[2] Paul Kreisberg ascribes this to the fact that U.S. basic interests in Pakistan have been limited which sometimes assume importance because of the latter's

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[*] Professor, Department of Political Science, University of Peshawar.

[1] Pervaiz Iqbal Cheema, "American Policy in South Asia: Interests and Objectives," in *The Security of South Asia: American and Asian Perspective,* ed., Stephen Philip Cohen (Chicago: University of Illinois Press, 1987), 119.

[2] Rais A. Khan, "Pakistan-United States Relations: Divergences and Convergences of Perceptions on Various Bilateral and International Issues," *Pakistan Journal of American Studies* 3, no. 2 (September 1985): 1.

geographical linkages with the Persian Gulf region.[3] It is, therefore, not surprising that both countries have had a chequered history but the relationship has survived times of stresses and strains. In this regard, a renowned U.S. analyst termed Pak-U.S. relations a "tortured relationship,"[4] since Pakistan has invariably experienced lack of consistency in U.S. policies.

The U.S.-Pakistan alliance is an excellent example of opportunistic relationship between two unequal powers, based upon self-interest rather than mutually congruent objectives. The U.S. regional policies were less vital to its interests than its global pursuits because the U.S. needed allies in Asia to prevent the spread of communism. On the other hand, Pakistan was confined in the regional perspective of its disputes with India and Afghanistan and adjusted its relationship with the U.S. for its security and economic needs. Pakistan reviewed the fluctuations in U.S. policy from its regional security perspective and also used diplomacy to adjust itself with other regional powers. Pakistan-U.S. relations suffered on the issues of nuclear technology and human rights. However, the Soviet Union's invasion of Afghanistan (1979) forced both the U.S. and Pakistan to evaluate and review their relationship and, ultimately, they entered into a new relationship which seemed to be more durable and credible because it was based on greater commonality of perceptions and interests. But after the collapse of the Soviet Union and the end of the Cold War, the U.S.-Pakistan relations once again became problematic. There were shifts in their relations and the divergence in their perceptions affected their mutual relations. After the collapse of the Soviet Union, the U.S. started showing economic and strategic interests in the region and its foreign policy underwent a fundamental transformation becoming more inclined towards India, which Pakistan has perceived as alarming for its security concerns.[5] According to Selig Harrison, after the end of the Cold War, Pakistan was in the lowest ebb of U.S. priority because the country was no more strategically important and did not have any significant commercial attraction. But, it seems that presently terrorism and the presence of the

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[3] See Paul Kreisberg, "The United States, South Asia and American Interests," *Journal of International Affairs* 2, no. 1 (1999): 86-87.

[4] Norman D. Palmer, "The United States and Pakistan: A Tortured Relationship" (Paper presented at the First Bilateral Conference on Pak-U.S. Relations, Arlington, Verginia., June 7-10, 1981),1-9.

[5] See Dennis Kux, *India and the United States: Estranged Democracies 1941-1991* (Washington D.C: National Defense University Press, 1992), 13; see also Kanti Bajpai and Amitabh Mattoo, ed., *Engaged Democracies: India-U.S. Relations in the 21st Century* (New Delhi: Har Anand Publications, 2000).

nuclear weapons in the region is the foreign policy concern of the United States.[6]

U.S.-Pakistan Relations after 9/11

 The incident of September 11 has significantly changed global and regional scenarios and both U.S. and Pakistan have had to reassess their positions and review mutual relationship. As a result, Pakistan has again become the "front-line" state in the U.S.-led war on terror. The new relationship is a "sales-cum - aid relationship". It depends on Pakistan's role in preventing the activities of militant Taliban and Al-Qaeda in Federally Administrative Tribal Area (FATA) and in Afghanistan. The war on terror has become a key concern of U.S. foreign policy. The aggressive U.S. response to terrorism created a new strategic context for the foreign policy choices of other states. Thus, in the changing circumstances, "the U.S. interests in Pakistan are direct not derivative,"[7] and U.S. has adopted clear, broad and long-term policy for the country because it is important to the U.S. interests.[8] The U.S. foreign policy seems to be more decisive as compared to past."[9]

        In the wake of September 11, Pakistan faced gravest foreign policy predicaments in its history and was left with no option but to change its policy towards Taliban and Kashmir, which has created considerable political turbulence in the country. The United States put the responsibility of its controversial acts on Pakistan whose strategic limitations have brought it face to face with serious impositions. The U.S. has found the country's leadership to be positive and agreeable to take appropriate actions against the Taliban and ready to provide all possible facilities to launch operations against Al-Qaeda. The decision to cooperate with the United States has saved Pakistan from international isolation.

Negative Impact of September 11 on Pakistan

It is very difficult to measure advantages and disadvantages of the September 11 incident for Pakistan. History   teaches that in an unequal partnership it is

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[6] Selig S. Harrison, "South Asia and the United States: A Change for a Fresh Start," *Current History* 91, no. 563 (March 1992): 97-99.

[7] Richard N. Haass, speech delivered to the Asian Society, January 11,1990, 1

[8] Michelle Ciarrocca, "U.S.: A Wartime Bonanza," *Wall Street Journal*, September 30, 2002.

[9] Mushahid Hussein, "Pakistan's Choice," *The MilliGazette,* October 10, 2001, www.milligazette.com/Archives/01102001/09.htm

the interests of the stronger party which prevail. Nations join alliances with powerful countries for potential gains and to secure their vital interests.[10] Pakistan joined the global war on terror to become the United States' partner in fighting this challenging war. It was a calculated response from Pakistan to join the partnership so as to improve its security environment as well as get political, military and economic benefits. However, it would be useful here to discuss comprehensively the costs and benefits of this alignment with the United States which many Pakistanis perceive to have created complex problems for Pakistan.

U.S. Domestic Laws and its Impact on Pakistani Community

The tragic incident of September 11 led to laws that curbed civil liberties in U.S. The new laws legalized racial profiling, surveillance, pre-emptive arrests and detentions, secret courts and the denial of legal rights to those accused of terrorism and suspected of harbouring hostile intent toward the United States. For this purpose, the administration introduced many laws and regulations to confine activities of the Muslim community. According to Islamic Advocacy Group (IAG) "hate crimes and discrimination against Muslims rose by 52 per cent to 141 in the United States since September 2001 and civil rights violations jumped by 49 per cent to 1,522."[11] The Council on America-Islamic Relations (CAIR) claimed that the trend toward "rising Islamophobic rhetoric in American society and Pakistani community were the main targets of administration's inhuman treatment."[12] World Islamic Council also claimed that "Muslims in general and mostly Pakistani citizens were the main victim of the U.S. laws and rules."[13] The U.S. Senate passed the "Patriot Act" in November 2001[14] almost unanimously by 98-1 and with an overwhelming

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[10] Pervaiz Iqbal Cheema, *Defence Policy of Pakistan* (London: Macmillan, 1995), 145.

[11] *Nation,* May 13, 2005.

[12] *Quarterly Newsletter*, Council on America-Islamic Relations, Washington (April-June 2002), 2-4

[13] *Dawn,* August 7, 2002.

[14] H R. 3162, the USA Patriot Act, incorporated provisions of two earlier anti-terrorism bills: H.R. 2975, December 10, 2001; S. 1510, which passed the Senate, November 10,2001; Provisions of H.R. 3004, the Financial Anti-Terrorism Act, were incorporated as Title III in H. R. 3162. The U.S. Patriot Act, which stands for "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism" (EPIC). The measures are aimed at deterring and punishing terrorist acts in this country and around the world. See also Attorney Journal John Ashcroft, "Remarks on Patriot Act," U.S. Department of Justice, June 5, 2003, http://www.lifeandliberty.gov/subs/m_speeches.htm

majority (357–66) in the House. According to Attorney General Ashcroft, the Patriot Act eliminated the time wasted on securing a warrant, and removed the obstacles that slowed investigation of terrorist activities.[15]   Most of these measures targeted Pakistanis in particular, who were required to "be fingerprinted, photographed and interviewed" by the Immigration and Naturalisation Service (INS).[16] Since the start of the programme "3,000 Pakistanis have fled to Canada and 1100 have been deported" and as many as 50,000 are expected to return to Pakistan.[17] There were common complaints against police and immigration authorities on mistreatment of Arab-Americans and Pakistanis. Although it has been widely noted that the people who targeted the "twin towers" were from Saudi Arabia and other Middle Eastern countries and not a single person belonged to Pakistan but it was not understandable why only Pakistanis were being questioned for involvement in the incident.[18]

Discrimination by U.S. Administration

Since the attacks on "twin towers" the U.S. society has become suspicious of Muslims in general and the Pakistani-origin community in particular. The incident also sparked radicalism in the U.S. society and many Americans thought that the Pakistani-origin Muslim-Americans did not see eye to eye with them on the issue. This climate of suspicion and mistrust remains alive even after seven years of the incident. There are 2.35 million Muslims and around 4,50,000 Pakistanis in the United States and most of them are semi-skilled and have only one purpose: to earn money for survival. However, after the September 11 incident, the Pakistani community in America is the major

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[15] Attorney General Ashroft speaks about the Patriot Act,   October 26, 2001, http://www.lifeandliberty.gov/subs/m_speeches.htm

[16] Once in the U.S., foreigners are under the jurisdiction of the Immigration and Naturalisation Service (INS). Visas are used only for entering the U.S. After one enters, he/she can stay as long as the INS allows, whether or not his/her visa has expired. If he/she has INS permission to stay, he/she does not need to get a new visa unless he/she leaves the U.S. and wants to re-enter at a later time.

[17] If the figure of 15,000 Pakistanis who fled from New York is correct, then it is possible that immigrants from the 25 targeted countries who returned to their own countries may be even higher than 50,000. See Abdul Malik Mujahid, "Muslim Casualties of the Justice Department's War Since 9/11: Some Government Statistics," *Sound Vision.com*, Islamic Information & Products, February 5, 2005; Traci Hukill, "A Safe Haven Turns Hostile," *AlterNet*, March 26, 2003; see Asma Barlas, "A Requiem for Voicelessness: Pakistanis and Muslims in the U.S., (Paper presented ,Cornell University, April 12, 2003), 1.

[18] *Boston Globe,* May 24, 2002; Daphne Eviatar, "Foreigners Rights in the Post-9/11 Era: A Matter of Justice," *New York Times,* October 4, 2003.

victim of Bush administration's immigration policies. The registration requirements imposed on immigrants, particularly Pakistanis, to effectively enhance security, send the clear message that Pakistanis and Arabs are no longer welcome in the United States.[19]

Immigration Rules of Justice Department

The number of Pakistani students arriving in the U.S. for higher education, the number of doctors finding residencies and graduates seeking jobs in banking, insurance and information technology has all gone down because of the harsh immigration rules. On April 2, 2002 a report issued by Glenn A. Fine, U.S. Justice Department's Inspector-General, stated: "law enforcement agencies had mistreated hundreds of immigrants detained under the new federal laws." In fact, the Act gave far-reaching powers to the Justice Department, including unprecedented information-sharing between law enforcement and intelligence agencies.[20] Under the federal law the police detained hundreds of foreign nationals and of these, the second largest group was of Pakistanis.[21] The record indicates that of the 531, who were deported, most were Pakistanis, 162 were released on bond, 24 received some kind of immigration benefits, 12 had their proceedings terminated, and many were in the custody of the U.S. Marshals Service for over a year.[22] Moreover, the cases investigated by Inspector General Fine did not cover all immigrants and detainees were estimated somewhere between 4,000 and 5,000 persons, once again comprising a large number from Pakistan.[23]

New Registration Policy

The U.S. administration introduced new Immigration and Nationality Act (INA) which directly affected the Muslims, especially Pakistanis. The directives required fresh registration for male immigrants (primarily visitors or temporary workers), who are required to meet strict deadlines for reporting to immigration authorities after arriving in the country, regardless of any previous background checks or screening procedures. In addition, implementation of security checks on visa applicants have only harmed Pakistani students

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[19] *Los Angles Times,* November 2, 2001.
[20] Harrison Glenn A, *Victimization Towards Muslim and Pakistani Community*, (Washington, DC: Department of Justice, 2002), 11-56
[21] Ibid., 34.
[22] Ibid.; see *Justice Department News Bulletin,* July, 2002.
[23] Ibid.

(including some Muslims) who desired to start studies and research programmes in U.S. educational institutions. According to the survey conducted by the Association of American Universities and Association of International Educators (AIE), "the selective registration program for Muslim males inside the United States has had little success in finding actual terrorists, even while causing great distress and offense to Muslim visitors."[24]

Secret Detentions

The U.S. administration policies have also fostered resentment among Pakistanis in the United States. Hundreds were taken into "secret detentions" and registration requirements for citizens of 25 Muslim countries, mostly Pakistanis, have "alienated a lot of these communities, causing great deal of fear and reinforcing the tendency of immigrant communities to huddle together and not trust authorities, which worked against intelligence gathering by law enforcement, particularly the Federal Bureau of Investigation (FBI)."[25] Vincent Cannistraro (former director of Counterterrorism Operations and Analysis at the Central Intelligence Agency), mentioned "the idea that you stigmatize whole classes of people and profile them because you think this is going to prevent the next terrorist attack is exactly the wrong way [to go about it]."[26]

Visa Screening Problems and Social Isolation

Since September 11, the U.S. administration has not been able to cope effectively with the new visa screening requirements, including name checks on certain categories of individuals applying for U.S. entry. Evidence showed that decline in the number of first-time visa seekers comprised mostly Pakistanies. In many cases the European embassies in Islamabad and Consulates in Karachi have blocked visa processing unnecessarily due to which the U.S. and European educational institutions suffered (loss of) new students.[27] In this regard, the *Hartford Courant* reported on a visa delay that forced the University of Utah laboratory to shut down just as it was nearing completion of a decade-long project to create "HIV-fighting molecules small enough to turn into drugs." Some of the lab's principal researchers were forcefully pushed to return home because they belonged to Pakistan or other

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[24] Ibid.
[25] *ABC News,* June 16, 2003.
[26] Ibid.
[27] *Dawn,* June 13, 2002; *Pakistan Observers*, September 28, 2003.

Muslim countries.[28] Moreover, the incident of 9/11 left bitter effects on American society because it created alienation, isolation and deprivation for Muslims. In many Western public parks and important cities (London, New York, Paris, Amsterdam and Madrid) Catholics and anti-immigrant racists groups gave certain pejorative views and abused Muslims, insultingly and calling Pakistani as "Pakis."[29] In the United States many individuals attacked Pakistanis' properties and the vilification of Muslims was a major cause of harm by denigrating an important source of self-respect for Muslims.[30] Therefore, unlike ethnic religious minorities who would enjoy protection in a wide range of areas, Muslims are not protected against discrimination in spheres of public and private sectors.[31]

Change in Pakistan's Foreign Policy

The hard fact is that September 11 has changed the status of Pakistan's foreign policy because the country was faced with a grim regional scenario in which its stability and long-term survival could have been at stake if it had not joined the U.S. war on terror. Change in any country's foreign policy is not a strange phenomenon since foreign policy constitutes a country's response to external changes taking place. It is a highly flexible instrument in international politics because "nations have interests not friendship."[32] Thus foreign policy changes are not restricted to small or weaker states only. Major powers also trim their policies according to needs of the time because their decisions and actions matter in world politics.[33] The vulnerability of the weak or small states lies in the fact they can neither annoy great powers nor can they take risk of confrontation.[34]

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[28] Kim Martineau, "With Research On Hold, Lab Is Shutting Down," *Hartford Courant*, March 23, 2003.

[29] Maleiha Malik, "September 11(2001): Islam, Muslims and the West," (Lecturer in Law at School of law in the King's College, London, April 2003).

[30] "September 11 (2001) and Muslims of America," *World Muslim News* (Islamic Mission New York, 2002-2003), 7-9.

[31] *Washington Post*, November 5, 2003.

[32] Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace* (New York: Alfred A. Knof, 1980), 31-57.

[33] Robert L. Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968), 2-15

[34] Ibid., 21.

Change in Kashmir Policy

U.S. objectives have prevailed over Pakistan's interests in this process of change and the latter's foreign policy has mirrored the former's. In fact Pakistan is considered as the practical implementer of U.S. policies on the basis of ground realities. Following the 9/11 incident, unidentified people attacked the Indian parliament (Lokh Sabha) on December 13, 2001. This created pressure on Islamabad to stop supporting terrorists or face attack.[35] In both cases the policy makers chose to avert war and took two major U-turns on Pakistan's traditional foreign policy stands on Kashmir and Afghanistan which had   failed to deliver desired results. As a matter of fact, Pervez Musharraf regime could not internationalize the Kashmir dispute but on the contrary Indian intransigence and determination succeeded in isolating Pakistan and crushing the Kashmiri independence movement with the cooperation of the United States. However to silence domestic criticism, Pakistan kept up its rhetoric on Kahmiris' right of self-determination, exposed Indian atrocities in the state and told the world that the Kahmiris were engaged in a legitimate struggle[36] and their right of self-determination was a principle enshrined in the United Nations resolutions which constituted "a solemn commitment and promise by international community to the people of Kashmir."[37] In this regard, Pakistan reiterated it would not accept any solution regarding the core dispute of Kashmir without keeping in mind the aspirations of the Kashmiris and "there would be no compromise on the issue and no solution against the will of the Kashmiris would be acceptable."[38]

Change in Afghan Policy

Afghanistan is one of the important subjects for Pakistan in terms of security, domestic politics and political identity. In security terms, Pakistan has seen Afghanistan as an element of its Indian policy. The country's policy makers have strived for peace on its western border in response to insecurity on its eastern border with India and considered it a matter of strategic interest to have a friendly government in Afghanistan.[39] In the past, Pakistan had suffered

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[35]*Times of India*, December 14, 2001.

[36] General Pervez Musharraf interview to *CNN News ,* June 1 , 2000 , August 8, 2004.

[37] *Nation,* June 6, 2007.

[38] See *Dawn,* March 17, 2007; Prime Minister Shaukat Aziz "Jammu and Kashmir Dispute: Models for Resolution," address to the International Kashmir Conference, *Nation,* March 17, 2007.

[39] Nadeem Iqbal, "Arms gift signals Pakistan's Afghan aims," *Asia Times*, February 22, 2003.

at the hands of pro-India governments in Kabul but the collapse of the Soviet Union and the end of the People's Democratic Party of Afghanistan (PDPA) regime was a desirable development for Pakistan. The establishment of Pakistan-supported Taliban government in Afghanistan made the entire world concerned because of their inhuman activities and brutal ideology. But after September 11 the changed scenario placed Pakistan "between the devil and the deep sea" and Islamabad had to change its Afghan policy and supported the U.S. against Taliban and Al-Qaeda network in the tribal areas of Pakistan and Afghanistan. The military establishment also deployed an estimated 110,000 troops (more than double the size of the U.S.-NATO military presence) on high alert along the rugged "porous border" with Afghanistan to hunt down militants and prevent cross border infiltrations.[40] In exchange, the U.S., through Secretary of State Condoleezza Rice, promised to support Pakistani attempts to improve its standing in the international community and ensured not to pressurise the military regime in Pakistan to "democratise."[41]

Under the U.S.-Pakistan new partnership, the United States is helping the civil-military establishment to equip Pakistani security forces patrolling the border regions with Afghanistan, funding the construction of more than 100 border outposts, and providing high-tech equipment to help Pakistani forces locate terrorists attempting to cross the border. In this regard, the U.S. upgraded an air wing with helicopters, fixed-wing aircraft and also provided better security and surveillance capabilities to curb terrorism and the Talibanisation in the region. But the U.S.-backed Afghan President Hamid Karzai, failing to control Taliban activities in Afghanistan, has kept blaming Pakistan for cross border infiltration and called Pakistan "the breeding ground of terrorists".[42] However, the truth is that the war in Afghanistan seemed to be acquiring the character of a war of national liberation because of the frustrations of the Pushtun people who are badly ignored in the Karzai administration which is dominated by non-Pushtun elements. According to William Milam (the former U.S. ambassador to Pakistan), "the real war on terror is going on in Afghanistan but it is not all clear that we are winning.[43] It

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[40] The United States has deployed two carrier battle groups in theater, which normally include fighter-bombers, and nuclear-powered attack submarines, battle cruisers, and destroyers armed with land-attack cruise missiles. *New York Times* (September 14, 2001); see also "Focus on FATA," (Peshawar: FATA Civil Secretariat), May 2007, 1.

[41] Charles H. Kennedy, "Pakistan in 2004: Running Very Fast to Stay in the Same Place," *Asian Survey* 45, no. 1 (January 2005): 108.

[42] *Khaleej Time,* February 16, 2007.

[43] *New York Times*, May 11, 2007.

is not difficult to understand the anxiety of the U.S. policy makers when General David Richards, the NATO commander in Afghanistan, decided after a brief shootout between the U.S. and Pakistani troops in 2006 in a "gray area" along the Durand Line, to call in an F-16 warplane to drop a 500-pound bomb on the Pakistani area to end the clash but President Bush timely dropped the idea.[44]   On the other hand, Pakistan has been claiming that "Afghanistan is exporting extremists to destabilise Pakistan, a country which is home to three million Afghan refugees, many of whom have sympathies with Taliban.[45] According to Malcolm Rifkind (former British foreign secretary and secretary of state for defence), the war against insurgents in Afghanistan has not been won to pressurise Pakistan because Karzai and the U.S. must realise that Taliban have emerged as a stronger force in the country. Moreover, in the wild frontier area on the borders between Pakistan and Afghanistan, which is a part of Pakistan, the writ of Islamabad does not prevail and the rebels can find space for respite, reorganise, train and recruit and that is beyond Pakistan's reach.[46] Moreover, it is not possible for Pakistan to ignore the Pushtuns (Pathans) because they are the leading group in Afghanistan, and Pakistan feels that Pushtuns are the only razor-edge for the strategic stability of the country and this fact has largely been neglected by the West.[47] Moreover, the U.S. must remember that they can only achieve their objectives if they will accommodate the country's regional aspiration, which needs a more sophisticated approach to recognise legitimate Pakistani concerns and interests.

Pressure to Change Curriculum and Education System

The U.S. administration claims that "*madrassas*" in different parts of Pakistan are the centers of fundamentalism and propagate terrorism by their education system."[48] In this regard, poverty is a particular concern because millions of families, especially from lower classes, send their children to religious schools, or *madrassas*. Many of these schools are the only opportunity available for education, but some have been used as incubators for violent extremism. According to Karachi's police commander, there are 859 *madrassas* teaching more than 200,000 youngsters in his city alone.[49] Moreover, the traditional

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[44] *Washington Post,* August 6, 2006.

[45] *Dawn,* March 7, 2007.

[46] See Malcolm Rifkind, "If we ignore Pakistan, we won't solve Afghanistan," *Independent,* June 11, 2007.

[47] Ibid.

[48] *International Herald Tribune,* June 13, 2004.

[49] *Dawn,* March 7, 2003.

madrassas are churning out fiery zealots, fueled with a passion for *jihad* and martyrdom. The U.S. administration desires that Pakistan should reform existing education system and also change the curriculum. However, religious parties have refused to change the traditional education system and forced the federal government not to amend school textbooks and exclude Quranic verses on jihad.[50] However, in the present scenario it appears that educational curriculum will go unchanged because of the fear of losing people's support for legitimacy.

Military Action in Waziristan

Since the incident of 9/11, Pakistan has launched several military operations against Taliban and Al-Qaieda fugitives, under severe pressure of the U.S., in FATA and particularly in Waziristan. Pakistan has deployed its own military troops including the Frontier Corps and paramilitary forces to search Al-Qaeda and Taliban elements in the mountainous tribal areas in order to avoid a direct attack from NATO forces on Pakistan territory.[51] Thus, the first military operation was initiated in Waziristan by Pakistani military against the militants on June 22, 2002 at Azam Warsak (South Waziristan), but this operation failed because of the sympathy of the Pakistani tribals for the Taliban and the foreign fighters, and extreme anger against the government and Pakistan military.[52] The Mehsud tribe (called wolves during British rule) put up heavy resistance against the   military, and the tribal elders clearly warned Pakistan of retaliation and declared that the operation, whether sponsored by the U.S. or Pakistan, would tantamount to open war against the tribals.[53]

In July 2002 Pakistani military formally entered in the Torah Valley in the Khyber Agency and later, in 2004, Pakistani forces launched a grand military operation in search of sanctuaries of terrorists in South Waziristan and Wana valley as attempts to persuade the tribes to handover foreign militants (Chechen, Uzbek and Arabs).[54] But the response was negative and the campaign against suspected Al-Qaeda militants turned into an undeclared war between the Pakistan military and the rebel tribesmen.[55] However, the Pakistan

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[50] See *Dawn*, 2004.
[51] Syed Saleem Shahzad, "Unlearned Lessons from Waziristan," *Asia Times,* July 22, 2004.
[52] Ibid.
[53] Ibid.
[54] See *Dawn,* July 2002.
[55] *News*, March 2004.

army officers, including Colonel Saeed Khan, gave assurance to the tribal chiefs that the tribal leaders would be taken into confidence before any further action against Al-Qaeda and then the tribals themselves could take action against the militants.[56] On September 5, 2006, Pakistani government and a tribal J*irga* (council) signed an accord (Waziristan Accord) in Miranshah (North Waziristan) to the effect that no tribe would allow "foreigners" to use Pakistani territory for any terrorist activity in the area. In response to that the government of Pakistan promised to set-up basic infrastructure in the tribal areas.[57] It is unfortunate that the accord could not last. Pakistan and U.S. continued their small sporadic operations against the militants, in which many innocent lives were lost. These campaigns created deep resentment and anger against the Pakistani military following which the tribals declared that Pakistan army and the U.S. forces were an "equal enemy".[58] At that time the U.S. Army commander in Afghanistan, Lieutenant-General David Barno, admitted that U.S. forces were pinpointing targets for the Pakistani army and General Musharraf admitted the presence of U.S. officials in South Waziristan providing intelligence support to Pakistani security forces. These factors further convinced the tribals that the Pakistani military presence in the tribal areas was basically U.S.-sponsored and negotiations would only be a farce.[59]

Now recently the U.S. and NATO have intensified operations against Talibans in Pakistan's tribal areas directly where they have increased their activity through spy planes and more helicopter surveillance. The NATO air strikes in which a religious school in the Bajaur Tribal Agency was attacked followed by raids in North Waziristan to target Taliban militants should have been an eye opener for Pakistan but Pakistani government just condemned the killing of its nationals and demanded compensation for the affected families.[60] Nevertheless, Pakistan was equally paying a heavy price for its military operations in the tribal areas as more than 2000 Pakistani soldiers have been sacrificed in South Waziristan while causing considerable "collateral" damage to tribal militants and civilians.[61] But the fact remains that Pakistan is the only country which has eliminated over 1700 terrorists from its areas and over 470

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[56] Ibid.
[57] *Dawn***,** September 4, 2006.
[58] *Nation,* March 7, 2007.
[59] *Times*, March 11, 2007; see *Dawn,* May 12, 2007.
[60] *Dawn*, June 24, 2007; July 16, 2007; October 20, 2006.
[61] See also Charles H. Kennedy, "Pakistan in 2004," 111; *Asia Times*, July 22, 2006; and see *Washington Post*, March 18, 2007.

from the mountains.[62] The country has provided extraordinary assistance in the war on terror by capturing and handing over more than 768 foreigners (aliens) to the United States, including many key figures, which has done much damage to the terrorist organizations.[63]

Thus, Pakistani military and para-military forces have been fighting a small-scale bloody war against tribal *lashkars* (militants) mostly from the Mehsud tribe in FATA. The primary objective of this operation is to clean the area from the remnants of the Taliban and foreign mercenaries (*Jehadis*) who have allegedly found shelter in the forbidding terrain of the region.[64] The fiercely independent Pushtuns who inhabit the tribal areas have given protection to militants as a religious obligation and deeply resent Islamabad's interference in their internal affairs. On the other hand, Pakistan's leading political parties are against military operation in Waziristan and have warned the government to avoid repeating history of former East Pakistan (1971) which can be disastrous for the country. The Awami National Party's (ANP) electoral success over the Muttahida Majlis-e-Amal (MMA) is being commonly seen as signifying a rout of the forces of extremism and as the victory of the secularist platform. The ANP has strongly criticized the operation as a form of racism—targeting only Pushtun nationals. The party has condemned the U.S. forces operations in Pashtun areas and the leadership has reiterated its demand for "peaceful means to end militancy in the [NWFP] province and the adjacent tribal areas." [65] Nevertheless, the war against terrorism in the tribal areas is alarming and has dire consequences for the country and the armed forces among whom the Pashtuns are said to resent the ongoing operation in Waziristan to find Al-Qaeda leaders at the United States' behest.[66] Military camps, patrolling vehicles, army installations and scout forts have become targets of heavy militant attacks. These military operations may result in unleashing events in which the U.S. could be a loser and Pakistan's security and stability may be jeopardized.

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[62] President Pervez Musharraf interview *DER – SPIEGEL*, reproduced by *Nation* (June 2, 2005); and see *Dawn,* February 19, 2007.

[63] *World Peace Herald,* May 9, 2005; see *Washington Times*, May 5, 2005.

[64] Charles H. Kennedy, "Pakistan in 2004," 105-111.

[65] M K Bhadrakumar**,** "Limited options for U.S. in Pakistan," *Asia Times*, February 23, 2008.

[66] *BBC News*, August 14, 2004.

Advantages of September 11 for Pakistan

These are exciting times. After more than a decade of seemingly inexorable drift away from each other, the U.S. and Pakistan once again are working together, closely and effectively, to achieve common goals. Pakistan is probably the most pivotal coalition partner in the war on terror. Its geographical proximity to Afghanistan and Central Asia gives it tremendous strategic importance. Pakistan also has an effective military and intelligence service and thus could serve as an important ally in anti-terrorist operations. In such a scenario U.S. desires to see Pakistan as a stable, moderate and democratic state to serve as a model for other Islamic countries.

Front-line Status

After the end of the Cold War the U.S.-Pakistan relations were at the lowest ebb but after the September 11 incident Pakistan again became a "front-line" state in the war against terrorism and an important ally of the United States. Pakistan offered the United States unprecedented cooperation by allowing the U.S. military to use bases within the country, helping to identify and detain extremists, and tightening the border between Pakistan and Afghanistan.[67] The U.S. policy makers believed that the Pak-Afghan border remained a top hideout for terrorists and the 9/11 Commission recommended to the U.S.authorities to pay closer attention to Pakistan. The commission suggested that the United States must support Pakistan's government in its struggle against extremists comprehensively by extending economic and military aid and by supporting education programmes.[68]

Economic Bail-out of Pakistan

After the end of the Cold War, Pakistan's economy was struggling under the weight of a huge foreign debt. The key agricultural sector was also severely crippled by drought. Industrial sectors were sick and private and foreign investment was low. These factors were responsible for constraining growth well below the 6-7 per cent range necessary for making a significant dent in the country's poverty. Pakistan's key export of textiles was suffering from a rash of cancelled orders which affected the over- all business in the country. Experts anticipated that the country stood to lose about US$1 billion in exports—a

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[67] *New York Times*, September 16, 2001.

[68] See *9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States* (New York: W. W. Norton & Company 2004).

drop of about 12 per cent in the fiscal year 2002-2003. In addition, losses to Pakistan's economy associated with 9/11 and the Afghan crisis were estimated at US$2.5 to US$3 billion. Public debt was Rs.802 billion in 1990 which increased to Rs.2971 billion by mid-1999. Similarly, external debt almost doubled in the period 1990-98. From a stock of $22 billion in 1990, it increased to almost US$43 billion (including foreign currency deposits of almost US$11 billion) by 1998. Moreover, the country was burdened with additional external debt obligation of US$21 billion in 8 years.[69] Thus, after the incident of 9/11 the U.S. not only bailed out Pakistan but also lifted sanctions that were imposed in response to Pakistan's nuclear test (1998) and military take-over (1999). Pakistan's support for the coalition opened up new vistas for enhanced economic cooperation with the U.S., Europe, Japan, and other countries of the region. So, the U.S. has realised the importance of Pakistan and taken the following steps which have long -term implications on the U.S.-Pakistan relations:-

- waived and suspended sanctions;
- US$ 1 billion provided as debt relief ;
- US$600 million transferred in cash for balance of payments support;
- USAID mission reopened;
- US$300 million line of credit provided for investment promotion as well as an unspecified amount of Export-Import Bank coverage;
- US$73 million programme started for border security assistance;
- Paris Club creditor nations assisted to negotiate a highly concessional debt rescheduling programme for bilateral debt;
- US$3 billion cash support paid since 2001 and more in process;
- US$ 3 billion previous loans written off. Interest on these loans would have been US$200 million a year; and
- US$750 million assistance package for FATA's socio-economic development.[70]

Pakistani textiles have been given greater access to the U.S. market and the International Monetary Fund (IMF) negotiated a new loan package for

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[69] Abdul Sattar, "Economy not in Shambles," *News*, June 6, 2005.

[70] Christina Rocca, Assistant Secretary of State for South Asian Affairs, "Economic benefits to Pakistan," (Speech to U.S.-Pakistan Business Council, New York) December 5, 2001; see *Daily Times*, April 29, 2008.

the country. International aid was pledged to provide a total of US$3 billion including grants, write-offs of bilateral debt and humanitarian assistance. So, the U.S. economic assistance and financial help pushed Pakistan's economy to grow by 6.4 per cent and raised the country's foreign reserves to US$12.7 billion compared to US$1 billion in 2001.[71] Pakistan is also getting US$84 million a month in payments for costs it is incurring on Operation Enduring Freedom. Pakistan received another US$1.7 billion from international financial institutions backed by the U.S. and US$700 million per annum in bilateral assistance.[72] In 2002, the United States led Paris Club efforts to reschedule Pakistan's debt on generous terms and in April 2003 United States reduced Pakistan's bilateral official debt by US$1 billion. Pakistan requested additional debt reduction and about US$500 million more in bilateral debt was reduced in financial year 2004. President Bush also provided US$3 billion aid package to Pakistan in the shape of aid over five years—or US$600 million per year—beginning in fiscal year 2005. For the first of these five years, President Bush requested the U.S. Congress for an additional US$100 million for a total of approximately US$700 million in 2005 which included the following development assistance:

- US$150 million for various USAID development programmes;
- approximately US$50 million to enhance border security, law enforcement development, counter-narcotics, and non-proliferation;
- US$300 million in military and security aid; and
- US$2 million for military education and training.

The Bush administration has also offered US$7 billion aid package to Syed Yousaf Raza Gillani's civilian government to strengthen democracy. The package includes US$1.5 billion a year in civilian aid for at least five years and a US$1 billion "democracy dividend" as a reward for holding elections and forming a coalition government. The assistance is a compensation for counter-terrorism performance of Pakistan in the war against terror.[73] Moreover, the USAID development programmes are separate from other assistance and focused on four sectors of education, health, governance, and micro-finance. The USAID constructed and furnished 130 schools in FATA and this

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[71] *Dawn,* October 7, 2001; see Somini Sengupta, "Pakistan Is Booming Since 9/11: At Least for the Well-Off," *New York Times,* March 23, 2005.
[72] *Los Angeles Times,* November 16, 2003.
[73] See *Dawn,* April 18, 2008.

programme continued till   2006. The USAID project is also working with the Higher Education Commission (HEC) to provide merit and need-based scholarships to 1000 Pakistani students to study business and agriculture in the best universities of the country and abroad.

Legitimacy of Musharraf Regime

General Pervez Musharraf seized power in a bloodless coup on October 12, 1999. His action posed a difficult foreign policy dilemma to the West and the military authorities in Pakistan came under severe pressure from the international community to speed up the restoration of democracy. In this regard, the U.S. reaction was very tough in imposing sanctions on Pakistan. The U.S. also suspended a US$1.7 million health programme, and blocked International Monetary Fund (IMF) loans. Moreover, President Clinton came very close to designating Pakistan as a terrorist state. But the event of 9/11 changed the entire situation for Pakistan and enabled General Musharraf to "put both hands in the cookie jar" [74]. He received recognition and legitimacy. The U.S. looked the other way from Pakistan's domestic situation and gave a blue-eyed-boy's status to Musharraf's regime. Though a marriage of convenience it needed some serious counselling. Yet Musharraf became a key U.S. ally and his unconditional capitulation to protect the U.S. strategic interests were well acknowledged by the U.S. administration and duly rewarded. Pakistan's sins were pardoned and a nation which was being termed as a "failed state," stood redeemed as a valuable partner of the global coalition against terrorism. Moreover, there were reports that the CIA was running several programmes to protect Musharraf and for this purpose the U.S. provided special helicopters and communications equipment required for personal security of Musharraf. Some of this like the "jammer to jam" remote control device was procured by the U.S. from Israel and given to Pakistan.[75] It is also reported that on U.S. request the Israeli security experts trained Pakistan's security personnel.[76] Earlier, Musharraf had offered airspace and

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[74] Hari Sud, "Pakistan: Why is Mushrraf Smiling These Days?," *Paper no 1188*, South Asia Analysis Group, December 13 , 2004, http://www.southasiaanalysis.org/papers12/paper1188.html

[75] B. Raman, "Pakistan as a Major Non-NATO Ally (MNNA) of U.S.," *Paper no. 958*, South Asia Analysis Group, March 22, 2004, http://www.southasiaanalysis.org/%5Cpapers10%5Cpaper958.html

[76] Ibid.

logistic support for U.S. operations in the tribal areas (FATA) and Afghanistan.[77]

Ban on Jihadi Culture

After September 11, General Musharraf urged people to put the national interest first and resist religious parties' call for Pakistanis to side with their fellow Muslims in Afghanistan.[78] He took steps to root out extremism and banned several religious parties and Jihadi groups besides laying out a framework for regulating the religious *madrassas*. For this purpose, Musharraf regime banned two groups—Lashkar-i-Tayyaba and Jaish-i-Mohammad— accused by India of attacking its parliament in December 2001 and included in the U.S. list of terrorist organizations. He also outlawed two sectarian parties—Sipaha-i-Sahaba Pakistan and Shi'ite Tehrik Jaferia Pakistan. General Pervez Musharraf discovered that the policy of low-intensity conflict with India and "highlighting" of the Kashmir issue through war had not only isolated Pakistan in the West but it had also harmed the international image of Pakistan. There was a common perception that fundamentalist forces had harmed Pakistan[79] by advocating violence at religious congregations.[80] Moreover, Musharraf forced *madrassas* to bring moderation in their extremist teachings and widen the scope of their curriculum by including scientific subjects.

Enlightened Moderation

General Musharraf came into power idealizing Kemal Attaturk, whose vision of moderation and modernisation propelled Turkey from the death-throes of empire into a modern secular state.[81] Musharraf stood for enlightened

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[77] see Hari Sud, "Selling Pakistan to the Bush Administration," *Paper 1285*, South Asia Analysis Group March 10, 2005,
http://www.southasiaanalysis.org/papers13/paper1285.html

[78] President Pervez Musharraf, address to the Nation, *Dawn*, September 19, 2001.

[79] President of Pakistan, Pervez Musharraf Speech to the nation, See *Dawn* January 12, 2002).

[80] Mumtaz Ahmed, "Islamic fundamentalism in South Asia: Islamic Fundamentalism in South Asia: The Jamaat-i-Islami and the Tablighi Jamaat of South Asia," in *Fundamentalism Observed*, ed., Martin E. Marty and R. Scott Appleby (Chicago: The University of Chicago Press, 1994), 458.

[81] Secularist model of Kamal Ataturk has proved attractive to progressive thinkers throughout the world. But his enlightened despotism troubles enlightened democrats,' an analyst of Turkey's secularism has written. 'Yet the contradictions inherent in Ataturk's enlightened despotism continue to cause problems. Ataturk's

moderation. The U.S. supported the Musharraf regime in its struggle against extremists with comprehensive efforts ranging from military aid to support for education. After September 11, the world had become a dangerous place. Hatred against the West was growing. There was proliferation of high-tech remote-controlled explosive devices and extremists were training suicide bombers as a lethal force that was all but impossible to counter.[82] The West perceived Islam as a religion of intolerance, militancy and terrorism. In such a situation, the moderate scholars argued that Muslims could only survive through "enlightened moderation," and that was the only way to counter the false perceptions about Islam in the minds of the West. General Musharraf said, "Muslims remember that it is not Islam as a religion that has created militancy and extremism but rather political disputes that have led to antagonism among the Muslim masses."[83] He also mentioned that, "the world at large and the great powers must realize that confrontation and use of force can never bring peace". Pakistan's founder Mohammad Ali Jinnah had also affirmed in his wireless address to the people of the United States in February 1948 that "Pakistan is not going to be a theocratic state —— to be ruled by priests with a divine mission."

Defence Capability

The United States had banned the sale of military equipment and supply of spare parts to Pakistan following its nuclear tests in May 1998, but the day Pakistan became a U.S. ally in the war against terror the restrictions were removed and the Glenn, Symington and Pressler Amendment sanctions were waived. The country started receiving sensitive and modern military hardware and other significant conventional war material from United States. Pakistan also received in aid U.S. military helicopters and surveillance hardware (value US$300 million) for army and police for use in counter-terrorism operations.[84] The shortage of spare parts was met and the pre-1990 military equipment supply and training of Pakistan military officers was resumed. Some pre-1990 orders for fresh equipment like the sale of three P-3 maritime surveillance equipment were also supplied. Islamabad also purchased six C-130

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legacy is zealously guarded by the military – with mixed results. See Matt Cherry, "When a Muslim Nation embraces Secularism," *The Humanist*, (May/June 2002): 21-3.

[82] Pervez Musharraf, "A Plea for Enlightened Moderation," *Washington Post,* June 1, 2004.

[83] Ibid.

[84] *Times of India*, November 11, 2001.

military transport aircraft from Lockheed Martin for approximately US$75 million under a Foreign Military Financing grant. In August 2004, Pentagon notified to Congress about the possible sale to Pakistan of US$78 million worth of military radio systems meant to improve Pakistani communication capabilities and to increase inter-operation ability between Pakistani and U.S.-led counter-terrorist forces. On November 16, 2004, U.S. approved to provide military equipment for Pakistan worth US$1.3 billion, including eight P-3C Orion naval reconnaissance planes possibly with anti-ship and anti-submarine missiles, 2,000 TOW-2A heavy anti-armour guided missiles and the Phalanx Close-In Weapon Systems for ships.[85] Bush Administration announced an additional US$1 billion in military aid to Pakistan in the form of six Phalanx Gun systems, 2000 TOW-2A missiles and 14 TOW-2A Fly-to-Buy missiles.[86] The U.S.increased the offensive weapons supply in respect of Phalanx and anti tank missiles. Supply of fighters, P-3, Harpoon anti-ship missiles and Orion surveillance planes is both offensive and defensive.[87] Moreover, the U.S. administration also authorized the sale of F-16 fighter jets to Pakistan pending since the last 15 years. According to Lanny J. Davis (the Washington lawyer who brokered the reimbursement deal for Pakistan) "the notion that we should not give Pakistan military parity with India.....makes no sense anymore given everything Pakistan has done for us."[88] Stephen Cohen (South Asia expert at the Brookings Institution), said "the sale would give the U.S. more influence and leverage in Pakistan to protect American interests."[89]

Protection of Nuclear Assets

The Western media pressurised Pakistan for its alleged involvement in nuclear proliferation activities. The Western media reported that Pakistan was assisting Iran and Libya in nuclear enrichment technology.[90] Musharraf claimed that the

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[85] Hari Sud, "Selling Pakistan to the Bush Administration," *Paper 1285*, South Asia Analysis Group March 10, 2005,
http://www.southasiaanalysis.org/papers13/paper1285.html

[86] *Dawn*, February14, 2005.

[87] Hari Sud, "Pakistan: Why is Musharraf Smiling These Days?," *Paper no 1188*, South Asia Analysis Group, December 13 , 2004,
http://www.southasiaanalysis.org/papers12/paper1188.html ; B. Raman, "Pakistan: F-16s & After," *Paper no 1319*, South Asia Analysis Group*, April 4, 2005, http://www.southasiaanalysis.org/papers14/paper1319.html

[88] *Washington Post,* March 26, 2005.

[89] Ibid.

[90] O. Gozani, "Pakistan 'Aiding Iran' in Nuclear Weapons Venture," *Daily Telegraph*, November. 26, 1988; See also Farzad Bazoft, "Iran Signs Secret Atom Deal," *London*

nuclear transfers to Iran and Libya and North Korea were the result of personal greed on the part of Abdul Qadeer Khan (the father of the Pakistani bomb), who "confessed" and was immediately pardoned. No serious observer believed that Khan's was a "rogue" operation unknown to the highest levels of the Pakistani military.[91] However, the U.S. bailed-out Pakistan from any pressure for its nuclear weapons but required the co-operation of Musharraf regime in the on-going investigation of the International Atomic Energy Agency (IAEA) against Iran on uranium enrichment facility constructed by Pakistan. In this regard, Islamabad provided some discarded centrifuges to IAEA to examine any link with Iranian nuclear programme. Musharraf also confirmed that Pakistan had sent centrifuges to the International Atomic Energy Agency (IAEA) in Vienna for inspection to help determine whether Pakistani technology was used to help Iran develop nuclear weapons.[92] According to Seymour Hersh, U.S. and Pakistan had developed an understanding that Washington would not object to pardoning Khan as long as Pakistan would not oppose the U.S. or NATO troops to conduct major sweeps in the Hindu Kush against the Taliban insurgency. In return, Musharraf received assurances that U.S. administration would not demand Abdul Qadeer Khan to face questioning over his role in selling nuclear secrets to Iran, Libya and North Korea.[93]

Non-NATO Ally

Pakistan was acknowledged as a major non-NATO ally (2004) in South Asia under Section 517 of the Foreign Assistance Act of 1961, a move that was more symbolic than practical. This status significantly enhanced Pakistan's reputation in the world community. The designation made Pakistan joining an elite group of nations, including Argentina, Australia, Bahrain, Egypt, Israel, Japan, Jordan, Kuwait, Morocco, New Zealand, Philippines, South Korea and Thailand, which are granted significant benefits in the area of foreign aid and defense cooperation including rapid and preferential processing of export licenses for a large number of defence items as well as cooperation in training. They could also stockpile U.S. military hardware, participate in defense research and development programmes and benefit from a U.S. government loan guarantee programme, which backed up loans issued by private banks to

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Observer, June 12, 1988, John Fialka, "West Concerned by Signs of Libyan-Pakistan A-Effort," *Washington Star*, November 25, 1979.

[91] *News,* February 5, 2004.

[92] *Nation,* May 27, 2005.

[93] Ibid.

finance arms exports. Moreover, the non-NATO allies were eligible for priority delivery of defense material and the purchase, for instance, of depleted uranium anti-tank rounds. Pakistan also had an old history of alliances with the United States. Pakistan was in the Montreal Defence Pact of 1956 but before that Pakistan had joined the U.S.-sponsored SEATO and CENTO (1954-55) military alliances. In 1959 Pakistan also signed bilateral agreement with the United States and attained distinction of being "America's most allied ally" in Asia. Nonetheless, Pakistan's civil and military establishment has gained psychological confidence after getting the non-NATO status because this privilege provided an opportunity to modernize the defence system and to protect vital national interests against the perceived threats.

Ironically, the end of the Cold War and the event of September 11 (2001) has brought many challenges and opportunities for the U.S. and Pakistan and given central position to the latter since U.S. policy makers understand and realise the strategic importance of Pakistan in the region where the US has vital economic and strategic interests. At present, the U.S. has a long-term regional policy and its main concern is to prevent terrorist activities and their spread. Moreover, in the changed scenario, the U.S. is treating Pakistan as an independent entity and is not consulting India in matters relating to Pakistan. Only such consistency in policy can strengthen credibility of partnership that uncertain policies can jeopardize. The trust between the two nations can be strengthened only if the U.S. approach towards Pakistan remains consistent. In short unequal partnerships will sustain as long as commonality of interests prevail.

Conclusion

The relations between the great and weak powers are usually subject to stresses and strains because of the wide divergences in their perceptions and policies. A great power normally conducts its foreign policy within the global parameters and the weak states are usually sensitive and conduct their affairs mostly in the regional context. However, in the renewed relationship, U.S. treated Pakistan as an "ally" against the war on terror. One of the necessary conditions for the successful functioning partnership is the presence of, complementary and mutually beneficial motives and objectives that prompt or have prompted this relationship. If the initial converging interests turnout to be divergent at a later stage, the relationship is bound to deteriorate. In fact, the problem lies with the decision makers of Pakistan who have failed to achieve a capacity to play a regional security role. Moreover, Pakistan's interest

in a regional balance of power has converged with the U.S. global interests. However, presently the tribal areas (FATA) have intensified the U.S. dependence on Pakistan and the convergence of the two states concerns is greater than ever. From a strictly strategic perspective, Pakistan has to face wider implications owing to military adventure in the tribal areas. On the other hand, the U.S. military and economic assistance to Pakistan is certainly consistent with Washington's wider efforts to construct a security regime to achieve swift and decisive victory over the Taliban and Al-Qaeda, but it would certainly worsen Pakistan's current dilemma and it would not be without heavy political, economic and military cost. Nevertheless, Pakistan will remain an ally and an important concern of the U.S. There is also growing recognition in Washington that a stable Pakistan is essential for regional stability and long-term political and security interests of the United States. Finally, Pakistan as a weaker partner is usually willing to remain loyal to the United States if in return the U.S. as a stronger partner fulfills the weaker partner's demands relating to its regional and local needs. However, history teaches us that great powers seldom sacrifice their interests.■