

The Current Debate - 1

Kargil

The Crisis and its Implications

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Gift

PREFACE

It gives me great pleasure to place before you this book entitled *Kargil: The Crisis and its Implications*. It is being published under the auspices of the Nehru Memorial Museum and Library.

A vast country like India with diverse cultural entities and occupying a strategic geo-political position always faces a number of internal and external challenges. But the long history of India proves beyond doubt that India possesses a great amount of resilience and could weather challenges to keep intact the country's national character.

The Nehru Memorial Museum and Library plans to offer platforms to eminent scholars and intellectuals of our country to sit and analyse contemporary challenges the nation is facing. We also propose to publish the presentations made during these deliberations under the series 'Current Debate'.

The present book flows out of the first such academic and intellectual exercise. The crisis in Kargil is not merely to be viewed as an armed conflict between two neighbouring countries but to be taken as a pointer which poses a variety of conflicting issues which need to be deliberated upon in national interest. We invited specialists from the domains of academics, defence, foreign policy and journalism. The views expressed by them are their own and reflect neither our institutional view nor that of the government. However the presentations as well as the discussions offer a comprehensive account of a highly complex problem faced by the nation today and I trust that this publication will be found useful by the general public as well as our policy makers.

August 1999

O.P. Kejariwal

THE LINE OF CONTROL IN INDIA-PAKISTAN RELATIONS

Manoj Joshi *

The Kashmir war began in October of 1947 when Pakistani-backed raiders invaded the State and came within miles of capturing Srinagar. A hurried airlift of Indian forces from New Delhi saved the day and, by the end of the year, the Valley had been largely cleared of the invaders. But with the induction of Pakistani regulars, combat between India and Pakistan became a battle of attrition for the control of the rest of the vast State.

In the beginning of 1948, the United Nations took up the issue at the request of India. The Security Council resolution of January 17, 1948 was a fairly bland one, but it did set up a United Nations Commission for India and Pakistan (UNCIP) which was authorised by another resolution of February 6 to investigate the situation, get India and Pakistan to restore law and order and then conduct a plebiscite to determine the future of the state. On 21 April, 1948, yet another resolution strengthened the UNCIP by raising its strength to five. It was also asked to make specific recommendations. The resolution also

*Political Editor, *The Times of India*.

declared that Pakistan should be asked to arrange the withdrawal of the tribesmen and troops in Kashmir and that India reduce its troops to the minimum needed for maintaining law and order. Thereafter a yet-to-be appointed administrator would be asked to conduct a plebiscite.

The UNCIP reached India in July and on August 13 produced a detailed plan of action to implement this resolution. This was the time that the Pakistanis formally admitted that their troops were committed against the Indian Army. Somewhat reluctantly, India went along with this plan. But the Pakistanis rejected it. However, by the end of the year, the two sides did accept the ceasefire which came into effect on 1 January 1949.

Following the ceasefire, beginning 1 January 1949, the UNCIP sent a letter on July 2 inviting Indian and Pakistani representatives to meet jointly in Karachi under the auspices of the Commission's Truce Sub-committee to establish the Ceasefire Line. The letter clarified that the meeting would be "for military purposes; political issues will not be considered."

The military representatives of India and Pakistan met together in Karachi from 18 to 27 July, 1949 under the auspices of the Truce Sub-committee of the United Nations Commission for India and Pakistan. The Indian delegation was led by Lt. General S.M. Shrinagesh and comprised of Maj. Gen. K.S. Thimayya and Brig. S.H.F.J. Manekshaw. The Pakistani team was led by Maj. Gen. W.J. Cawthorn and among its members were Maj. Gen. Nazir Ahmed and Brig. M. Sher Khan. There were also four members of the Truce Sub-committee of the United Nations Commission for India and Pakistan.

After the meeting, the two sides announced that under the provisions of "Part I of the resolution of 13 August 1948" as well as "a complement of the suspension of hostilities" on January 1, 1949, "a ceasefire line is established." They then went on to detail the Ceasefire Line (CFL) "from Manawar in the South, north to Keran and from Keran east to the glacier area." The agreement also stipulated that the CFL would be drawn on a one-inch map and then be verified mutually on the ground by local commanders of each side with the assistance of the United Nations Military Observer Group in India and Pakistan (UNMOGIP) personnel "so as to eliminate any no man's land". This document was signed by Lt. Gen. Shrinagesh, Maj. Gen. Cawthorn and Hernando Samper M. Delvoie, Chairman of the Truce Subcommittee. Thereafter the two sides ratified the agreement, and clarified the line on the ground and after this process, the Commission's Military Adviser issued a map marked with the definite CFL.¹

From the outset, Pakistan was alive to the prospect of altering the CFL/LoC. For example while there had been no hostile troops south of the Burzil pass on January 1, 1949, but when the snows melted, the Pakistanis came across the pass and occupied the territory proximate to Gurais. In Kargil, too, Pakistani forces occupied the heights overlooking Kargil town well after the ceasefire. As the official history of the war notes, "A greater alertness on the part of junior Indian officers on the spot could have prevented these illegal encroachments."²

The Indian side had another disadvantage. They had been ready to accept the ceasefire for several months since the passage of the August 1948 resolution in the UN

calling for it. But Pakistan dragged its feet, hoping till the end to improve its position. The ceasefire came suddenly, as soon as Pakistan indicated its willingness to throw in the towel. But the Indian commanders had little forewarning and were not able to adjust their operations towards occupying better post-ceasefire tactical positions. This was an error that the country had to pay for dearly.

Operation Gibraltar and After

On August 5, 1965, a Gujar, Mohammed Din was tending his cattle near Gulmarg when two armed men dressed in green Shalwar Kameez approached him for some information in exchange for Rs.400. The suspicious young man informed the police and soon a patrol was sent and after a clash, the infiltrator group disintegrated and returned to Pakistan Occupied Kashmir (POK). This was the first hint of the audacious Operation Gibraltar through which Pakistan sent thousands of trained and armed guerillas across the Ceasefire Line in the hope of sparking off an uprising. Official Pakistani complicity became evident when on August 8 two officers, belonging to the Azad Kashmir Battalion, were captured near Narian near Poonch. They disclosed that the scheme was launched by a Presidential Ordinance issued in January and training of the guerillas had begun in May under the overall direction of the Pakistani 12 Division Commander, Maj. Gen. Akhtar Hussain Malik.

The plan was to have the raiders infiltrate in small groups between August 1 and 5 and converge into the Valley from different directions and make their way to Srinagar and to join the demonstrations on the anniversary of Sheikh Abdullah's arrest. The raiders hoped to sneak

into the procession, fully armed and stage a revolt claiming to be Kashmiris. Meanwhile, other columns would cut the Srinagar-Jammu and the Srinagar-Kargil road and thus isolate the Valley. As Lt.Gen. Harbakhsh Singh, the then Western Army Commander, put it: "The news of Pak's elaborate plan for this gigantic venture came to us as a surprise... of the actual scale and scope of the massive campaign that was to follow, we had no information."³

Yet, in retrospect, there were some intimations that were ignored. According to Singh, incidents of firing and shelling across the CFL and large scale intrusions had risen to a figure of 1,800 in the January-July period as compared to 522 in the previous year. In June and July, shelling incidents averaged five or six per day.

Most observers have termed the war a draw, though India clearly held the edge in terms of territory it controlled. It not only had hundred of square kilometres in Punjab, but had ironed out the Haji Pir bulge. Confronted with this situation, the Pakistani Army continued the offensive action well beyond the ceasefire of September 22. It was only in October that the last of the Operation Gibraltar guerillas were forced to flee.

However, three months after the ceasefire, India threw away these gains in the interest of peace with Pakistan. The two sides signed the Tashkent Agreement after six days of negotiations. Clause 2 of the agreement specified that "all armed personnel of the two countries shall be withdrawn... to the positions they held prior to August 5 1965, and both sides shall observe the ceasefire terms on the cease-fire line."⁴

The Bangladesh War

The Kashmir sector saw operations across the CFL. While Pakistan launched a major attack on Poonch, Indian efforts were in the main in the Leh-Kargil region. In the Leh sector, the initiative rested with the Ladakh Scouts who, commanded by Maj. Rinchen, launched an offensive, advanced 22 kms. and captured Turtuk and 300 sq.kms. of territory, but got little administrative support and stopped there.

In the Kargil sector, the 121 brigade launched the offensive that had been aborted by the onset of winter in 1949—an attack on both sides of the Shingo river towards Olthinthang and Marol. While it failed in its major objective, the attack did liberate about 110 sq.kms. of crucial territory and 36 of the 80 Pakistani posts in the region which were used to disrupt Indian traffic on the Leh-Srinagar Highway. But the costs were heavy. There were, according to military historian K.C. Praval, 517 cases of frostbite while battle casualties were 55 killed, 195 wounded and 28 missing-in-action. The enemy lost 22 prisoners and an estimated 114 dead.

There were marginal gains on the other areas of the CFL in the Valley. Two features were captured between Tithwal and Uri and the division then made a thrust to capture the entire Kaiyan bowl. But at this point, the Divisional Commander made one of those blunders that we regret so much. When winter came, a single Pakistani post was left near Kaiyan after ceasefire had come and snow had blanketed the area. Pakistan managed to resupply the post through winter but the Indian Army failed to eliminate it in this period. After the snows melted,

the Divisional Commander tried to persuade the Pakistanis to withdraw, but they refused. Then a hasty attack was mounted, but it failed and thereafter the Pakistanis reinforced the position and were able to throw back the Indian forces. The Pakistani plan in the region was a dramatic thrust to capture Poonch with the use of two brigades of Azad Kashmir troops. But the troops were poorly supported and the attack fizzled out within 24 hours. The Indian strategy was somewhat diffused and there seemed to be no strategic concept guiding it in the Kashmir sector.⁵

The Simla Agreement of 1972

After negotiations, it was decided to convert the CFL into an LoC. There is considerable significance in this change of nomenclature. While the former defined the border in military terms, the latter did so in purely factual manner. It is no secret that the bargain through which Zulfikar Ali Bhutto managed to get 90,000 Pakistani army prisoners released and the return of captured territory in Punjab and Sind was his “bharosa kijiye” to Mrs. Indira Gandhi that he would work towards fixing the LoC as the permanent border between the two countries. In converting the CFL to the LoC, the two sides agreed that each side could keep its gains. Thus Pakistan retained the territory it had captured in Chamb, while India was able to retain its gain in the Leh-Kargil region and the other bits it had captured elsewhere.

Methodology of Delineation

The LoC was reproduced on two sets of maps prepared by each side through an intense process that involved meetings between sub-sector commanders of both sides

identifying features and their location to each other's satisfaction. These were then discussed in a series of nine meetings between 10 August and 11 December 1972 at Suchetgarh and Wagah. At each meeting, the ground inputs were discussed and the differences resolved. Where a resurvey was needed, it was carried out. Some of the more intractable points were clarified by the two chiefs themselves in their meetings at Lahore in November and December 1972. Besides the maps, there were 19 Annexures consisting of 40 pages giving details of each feature, landmark and coordinates of the LoC.

Through this process, four sets consisting of 27 map sheets were formed into 19 mosaics. Each individual mosaic of all four sets were signed by the representatives of the two Army Chief viz. Lt.Gen. Abdul Hamid Khan and Lt. Gen. Prem Bhagat. They were formally exchanged on 11 December 1972. They were thereafter examined by the political authorities on both sides and formal approval was accorded on the same day.⁶

The Kashmir Rebellion of 1989-90

Pakistan learned all its lessons in Kashmir. When the rebellion broke out in the Valley, it did not directly involve its own forces in the process. Thousands of Kashmiri youth were now ready to cross the LoC and receive training in Pakistan and return.

However, within two years the Indian security forces had battered this movement badly. Pakistan now upped the ante by sending in the so-called "guest militants." Despite this, the Indian security juggernaut rolled on and by the end of 1996, the Valley rebellion was effectively over.⁷ Since then, Pakistan has concentrated in sending

its own nationals or Afghan mercenaries to launch attacks on the Indian security forces and unarmed civilians.

In the initial period, the Pakistan Army did make efforts to capture some features on the Indian side of the LoC, but were repulsed. By and large they concentrated on providing covering fire through the use of artillery, mortars and machine guns to aid groups of militants crossing the LoC.

The Kargil Affair

The Kargil intrusion was an outcome of Pakistan's failure in the Valley. Frustrated in their designs, the Pakistani Army took recourse to large-scale bombardment of Indian positions along the LoC to a depth of 4-5 kms. Bombardment of Kargil town took place first in April 1997 and went on intermittently over the next two years. However, the Indian Army assessment was that this was to aid infiltration even though there had been no evidence that this area had been used as a route to send militants into Kashmir. In these circumstances, the Indian side was taken aback by the Pakistani occupation of the heights across the LoC in the Indian territory.

There are indications that the plans for the action viz. to occupy Indian posts across the Line of Control from Chorbitla to the Mushkoh Valley had been conceived years earlier, but was executed only in 1999. One reason for this was the reservations of the Pakistan Army Chief, Gen. Jehangir Karamat, who felt that such a plan while tactically sound had little strategic utility since any move to threaten the strategic Srinagar-Leh Highway would invite a substantial Indian response, one that Pakistan would not be able to contain easily.

That is exactly what happened when the Pakistani Army, now headed by Gen. Pervez Musharraf, executed the plan. The Pakistani strategy as revealed in a set of intercepted conversations between the Pakistani Army Chief and his Chief of Staff Mohammad Aziz was to claim that the LoC was not clearly demarcated and that "the interpretation of either side is not what the other side believes."⁸

Initially taken aback, the Indian Army retaliated forcefully and despite sustaining heavy losses wrested the strategic heights occupied by Pakistan. Facing defeat, the Pakistani establishment sought Beijing and Washington's aid to pull its chestnuts out of the fire. In an agreement signed in Washington, Pakistan Prime Minister Nawaz Sharif committed himself to ending the intrusion and upholding the sanctity of the Line of Control. The Joint Statement by President Clinton and Prime Minister Nawaz Sharif on July 4, 1999 stated that "concrete steps will be taken for the restoration of the line of control in accordance with the Simla Agreement" and that the US would back a restoration of an Indo-Pak dialogue only after "the sanctity of the Line of Control has been fully restored."⁹

Conclusion

One of the major outcomes of the Kargil issue has been the sudden attention India and the international community have paid on the LoC. From their reaction it is clear that a pattern is emerging that sees the necessity for both countries to maintain the sanctity of the LoC pending a final settlement of the Kashmir dispute. This is not so much the consequence of Kargil but of Pokhran and Chagai.

The challenge before the Indian diplomacy is to make the international community revisit the original dispute and show how Pakistan fabricated a claim on the State that has no basis in history or the Indian Independence Act of 1947 that created Pakistan out of India. They must point to the history of post-Independence Pakistan and its split with Bangladesh to show how hollow is its claim to be a homeland of the subcontinent's Muslims.

India must convince the world community that given the nature of the Kashmir problem, the past efforts to resolve it and the consequences of altering current boundaries, the best solution lies in a formalisation of the partition of the State that took place on January 1, 1949 when the first ceasefire took place. This is not an easy task. It is one thing for the Indian side to suggest and accept this since they hold what they always wanted to hold—the Vale of Kashmir, Ladakh and Jammu. Pakistan does not even have a toehold in the Valley, so its efforts are concentrated on altering not just the LoC but to capturing the State by hook or by crook. □

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2. Ibid, p.372.
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4. See the text of the agreement in *The Fight for Peace: The Long Road to Tashkent* (New Delhi, Hardy and Ally, 1966), Chief Editor S.C. Gogia and Editor S.K. Savara, p.517.

5. Major K.C. Praval, *Indian Army After Independence* (New Delhi, Lancer, 1987), pp.517-19.
6. The process is detailed in a note by Lt. Gen. M.L. Chibber who was the Deputy Director-General, Military Operations after the 1971 War and later General Officer Commanding-in-Chief of the Northern Command. See "Line of Control in Jammu and Kashmir: A Part of Simla Agreement", (mimeo n.d. New Delhi). This note was prepared as part of a presentation by the Army Chief Gen. V.P. Malik on June 23, 1999 where the Army released other documents to show how the delineation of the LoC was accepted by both sides.
7. Manoj Joshi, *The Lost Rebellion: Kashmir in the Nineties* (New Delhi, Penguin Books, 1999).
8. See Verbatim Record of full Conversation of 29.6.99 between Lt.Gen. Mohammad Aziz, Chief of General Staff and Gen. Pervez Musharraf, Chief of Army Staff released by the Government of India on June 11, 1999.
9. See the Text of the Joint Statement issued by President Clinton and Prime Minister Nawaz Sharif of Pakistan in <http://www.usia.gov/regional/nea/sasia/docs/doc191.htm>

INDIA-PAKISTAN RELATIONS IN THE CONTEXT OF THE KARGIL CONFLICT

Kalim Bahadur *

The outbreak of the Kargil conflict so soon after the much publicised Lahore Summit and the Lahore Declaration has shaken the Indian subcontinent. The far-reaching political implications of the Pakistani game plan in the Kargil peaks have put a question mark on the future of the India-Pakistan relations. Indeed, the bloody conflict in Kargil will cast a lasting shadow over the India-Pakistan relations. The widespread feeling of betrayal and of being let down after the exhilarations of the Lahore spirit will continue to colour India's vision of its neighbour.

Pakistan has attempted to link the Kargil intrusion with the larger issue of Jammu and Kashmir while denying its own involvement in the fighting claiming that only the local Kashmiri militants are involved. No one in India is taken in by this version of the events.

The entire game plan of Pakistani advance as conceived by the Pakistani Army has long-term military and political implications. After having occupied strategic positions on the high peaks in Kargil, traffic on the Srinagar-Leh

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Highway would have been easily interdicted cutting off Ladakh from the rest of the country. That would have helped the outbreak of insurgency in the Ladakh region. Pakistan then would have easily reoccupied Siachin area which has been long a bone of contention between India and Pakistan. The flagging militancy in the Valley would have got a boost bringing to an end the normalcy that had been brought about by New Delhi after so much hard work.

The Indian response to Pakistani advance would have been difficult because of the element of surprise and the disadvantage of terrain in which Indian Army would have been fighting. A prolonged campaign had obviously been planned by Islamabad. Both India and Pakistan, having become nuclear powers, a nuclear confrontation could not have been ruled out once the fighting spread to other areas of Kashmir or India retaliated by crossing the Line of Control. This would have attracted world attention and international intervention was Islamabad's goal. Unlike 1948 and 1965, when Pakistan planned to seize the State of Jammu and Kashmir once the infiltrators had overrun the State in the wake of general uprising, the Kargil operation's objective appears to be giving fillip to widespread insurgency in the State and escalating the conflict to a level where nuclear blackmail could be used to invite international intervention and force India to the negotiating table.

The basic question here is does Pakistan want Kashmir alone? Is it a territorial dispute and once Pakistan gets Kashmir will then India-Pakistan relations become normal? Pakistani rulers during the last fifty years have been claiming that Kashmir is the cause of India-Pakistan

conflict. The submission of this writer is that Kashmir is only a symptom of India-Pakistan hostility. The roots of this conflict go to the ideological dispute which led to partition. India and Pakistan represent two ideologies and two world-views. If Kashmir had not been there Pakistan would have found some other contentious issue which would have become the reason for the continued conflict. In the context of the world of the forties India represented the ideology of anti-imperialism, non-alignment, composite nationalism, secularism and democracy. Pakistan opted for Muslim nationalism (another name for communalism); it could never settle its identity or system of governance and hence for almost half of its existence it was under one or another form of military rule. Pakistan's *raison d'être* was to be different in every respect from that of India, its leaders disowned the common history, common culture and common traditions of the subcontinent. This was achieved through following a consistent implacable hostility towards India. Pakistan nurtured an enemy image of India, a legacy of the bitter pre-partition controversies between the Indian National Congress and the Muslim League. A consequence of it was the desire to attain equality and parity with India in every respect, though the disparity in size, population, natural resources and economic resources made it impossible. Pakistan's acquisition of nuclear weapons, wholly India-centric, were motivated by this obsession for parity with India. This psyche of Pakistan's ruling class ruled out any search by them for a friendly *modus vivendi* with India. This was reflected in the first war they launched against India within eight weeks of attaining Independence for seizing the State of Jammu and Kashmir. It was of no consequence that Jinnah had rejected Mountbatten's

suggestion that the people of each Princely State might be consulted to determine their choice for the State's accession to either of the two Dominions. It was well-known that the people of Kashmir under the leadership of Sheikh Abdullah had rejected Jinnah's overtures to win them over to Pakistan as early as 1944. Pakistan launched the second attempt to seize Kashmir in 1965 once again by inducting infiltrators into the State to be followed by Pakistani armed forces. The India-Pakistan war which followed ended in a stalemate and Pakistan failed in its attempt to overrun the State. The Tashkent declaration restored the *status quo ante*. The Kashmir misadventure by the then Pakistan's military ruler General Ayub Khan marked the starting point of his own downfall.

The Indian policy towards Pakistan has been marked by a kind of indulgence which has often cost India dear. Indian leadership had hoped that once democratic processes are enforced in Pakistan the economic and political aspirations of the people of the country would play a role in moderating that country's approach to India. Pandit Jawaharlal Nehru's promise of ascertaining the wishes of the people of Kashmir soon after its accession to India despite Pakistan's brazen sponsoring of tribal invasion of the State in 1947 reflected his own democratic instinct and a desire to be fair to Pakistan.

The Indian approach was also reflected at the time of Simla negotiations in July 1972. One of the Pakistani participants at the Simla Conference has described how Prime Minister Indira Gandhi agreed to the inclusion of the phrases in the final text despite Indian ministers' objections, which provided a face-saving device to Prime Minister Zulfikar Ali Bhutto to return to Pakistan in

triumph. India at that time could have used its position as the victor in the 1971 war to impose its conditions on the defeated Pakistan with an insecure government. It is also well-known that Prime Minister Indira Gandhi made these concessions to Bhutto because it was feared that if he returned empty handed from Simla there might be a military takeover in Pakistan.

Once Bhutto was jubilantly at home he did not bother about the Simla Agreement nor did his successors. It was General Zia-ul-Haq who planned and sponsored the current militancy in Kashmir. He carried on a relentless anti-India campaign on front and every forum. His Afghan policy had also an anti-India dimension. According to some analysts General Zia-ul-Haq's plan to have a friendly regime in Kabul was aimed at securing a strategic depth for Pakistan in case of a confrontation with India. Prime Minister Benazir Bhutto took up from where General Zia-ul-Haq had left off. After a brief interlude of friendly chat with Prime Minister Rajiv Gandhi she outdid every other Pakistani ruler in her shrill war cries against India during her two terms. Her recent repentance on her hawkish past has come somewhat late in the day.

It is argued in some circles in India that Pakistan's India and Kashmir policy has been the exclusive preserve of its military establishment. This argument is only partly true. In 1988 when Benazir obtained a majority in the National Assembly in the first election held after the death of General Zia-ul-Haq, the then President Ghulam Ishaq Khan delayed inducting her into office for almost a fortnight. It had become known that she was sworn in only after she agreed to some conditions and one of them was an undertaking not to interfere in military

establishment's Kashmir policy. It was well-known that during her two terms in office she was not allowed any say in the affairs of the military establishment. She had publicly clashed with the President over her right to have a say in the appointment of Chiefs of three military wings.

However, over the last decade some changes have taken place in the equation between the political leadership and the GHQ. The election of Nawaz Sharif with two-third majority and subsequent repeal of the Eighth Amendment in early 1997, has considerably strengthened his position. Prime Minister Nawaz Sharif later manoeuvred out a Chief Justice, an ambitious President and a meddlesome Army Chief. However, it does not mean that the Army has ceased to be the final arbiter in all decisions of national importance. The Kashmir dispute has been a case apart. Pakistan's India policy including the Kashmir dispute has always been above the changing balance in power structure in Pakistan. The political class in Pakistan as represented by the establishment which includes the politicians, the bureaucracy and the military have a consensus on Pakistan's Kashmir campaign. This was so in 1965 and it continues till today.

No evidence has been cited till today to prove that Prime Minister Nawaz Sharif was not taken into confidence in regard to the Kargil adventure. On the contrary there is enough to show that it was a well-thought-out plan both militarily and politically in all its implications. Even the reports that Prime Minister was not fully in the picture about the Kargil affair appear to be carefully pre-planned to provide an alibi to the political leadership.

Another dimension of the Kargil game plan should be noted. Within a few days of the Indian response to the infiltration, Pakistani foreign ministry had gone on an assiduous campaign for a dialogue to de-escalate the conflict while linking Kargil as a part of the larger Kashmir problem. That was Sartaj Aziz's mission in New Delhi in mid June. This was also in a way answer to the increasing disapproval of the Pakistani intrusion by the international community. The objective was to show that the Line of Control was not clear and the intrusion was by the local militants, the Indian response to the intrusion also amounted to the violation of the Line of Control. And further that Pakistan was only wanting a reopening of the dialogue on Kashmir. Unfortunately for Pakistan nobody bought its line.

In fact Pakistan's strategy for a long time has been to force India to the negotiating table on the Kashmir dispute. What they want is to reopen the question of the accession of Kashmir to India. In any such dialogue Pakistan would press for the implementation of the outdated United Nations resolutions and the holding of a plebiscite in Kashmir. Obviously these demands will not be met by India. Pakistan would then accuse India of not willing to settle the Kashmir dispute. For Pakistan a reasonable settlement means handing over of Kashmir to Pakistan on the negotiating table which they could not get through three wars.

Another illusion has been created by some in India that if India agrees to the conversion of Line of Control into a permanent border Pakistan would jump at it. Pakistan will not agree to this. The Kashmir dispute is

not about Ladakh, it is also not about Jammu, it is about the Kashmir Valley. And Kashmir Valley is on this side of the Line of Control.

Lastly even if, in the unlikely event, the Kashmir dispute is resolved, will India-Pakistan relations become normal and friendly? As argued in the early part of this paper, Pakistan has opposed cultural relations with India, has persistently placed obstructions on economic and trade relations, on people to people contacts not because of the Kashmir dispute. The reason is more fundamental and ideological. Pakistan has been alleging that India has not accepted it and its ideology of two nation theory, has sympathised with the autonomy movement of the Bengalis and has tried to break up the country. It is Pakistan's basic insecurity and vulnerability against India that explains its relentless hostility to it. The major charge by Pakistan government against Pakistani journalist Najam Sethi was that he made a critical speech before an audience in an "enemy" country. This was the official statement of a few months after the Lahore Declaration and days before the Kargil conflict erupted. India for the Pakistani Establishment is the enemy, Kashmir or no Kashmir.

Kargil may have been a minor clash but it marks a qualitative change in India-Pakistan relations. No agreements like Simla Agreement and the Lahore Declaration will ever again inspire the same confidence. No wars may be fought between the two neighbours but peace will henceforth be an armed peace for a long time to come. □

THE ECONOMIC CONSEQUENCES OF THE KARGIL CONFLICT FOR INDIA AND PAKISTAN

Sanjaya Baru *

What will the impact of the India-Pakistan conflict in Kargil be on the economies of the two countries? Can the two South Asian economies afford a bigger war? What policy initiatives should the Indian government take, both at home and abroad, to deal with the economic and diplomatic challenges posed by the conflict with Pakistan? Even as the end-game has begun in the Kargil conflict, these questions are being raised and deserve to be answered.

At the outset it must be stated that economic considerations and the calculation of cost-benefit ratios are meaningless and dangerous in making any assessment of what our response should be to a wilful act of aggression. Pakistan has occupied the Indian territory and has questioned the sanctity of the LoC. Any government in India is duty-bound to respond to this act of aggression and illegality and the economic costs and consequences of military action cannot be factored into the immediate response.

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Having said this, it must also be clarified that the conflict in Kashmir has so far remained a limited border conflict in a limited, though difficult, terrain and neither Pakistan nor India have declared an all out war. India's response to Pakistani aggression has been sober and moderate and so far no attempt has been made to widen the conflict along the international border. However, it is necessary to consider the economic implications of a wider conflict, if not along the entire border, atleast along the LoC and beyond the LoC, if and when necessary.

Defence analysts are convinced that even if a full-scale war is waged, it is unlikely to last for more than a few days, perhaps a fortnight at the most, since any such widespread conflict is bound to set in motion diplomatic moves across the world aimed at an early resolution of the conflict. Further, even earlier India-Pakistan wars have been brief affairs and in the current global and regional context a full-scale war may be of even shorter duration than in the past. However, any government must be prepared for the worst eventuality.

1. Defence Expenditure and National Income

To begin with, it is necessary to recognise that India is not a big defence spender and is capable of absorbing an increase of an additional one percentage of GDP in defence over the course of two or three years without too much difficulty. In 1999-2000 India's GDP is estimated to be around US \$ 440 billion. Second, the costs of a limited military engagement are built into the existing expenditure with funding for men and material already provided for. The only additionality is the cost of their transportation to forward border posts. Even accounting for purchase of new

equipment and ammunition, it is unlikely that the Kargil conflict would have cost more than Rs. 2,000 crore. Any medium-term plan of modernisation of the armed forces may involve an additional burdern of Rs. 3,000 crores to Rs. 4,000 crores. If GDP growth is sustained at 6.0% to 7.0% over the next few years, this order of expenditure can be sustained without any serious impact on fiscal management.

There is a popular belief among social scientists and security analysts, in India and abroad, that India spends far too much on defence. While a case can be made that a poor country ought to spend more on education and health than defence, the fact is that given the security environment within which India lives, its defence expenditure is in fact in line with global trends and below par as far as the region itself is concerned. India's hostile neighbours, China and Pakistan, spend far more on defence and are out of line with global and regional trends (Table-1).

Table 1: Defence Spending: India and the World

Country	Defence Expenditure as %age of GDP		Per Capita Defence Expenditure (US \$, 1995 prices)	
	1988	1996	1985	1995
India	3.4	2.5	11	9
China	5.1	3.9	26	26
Pakistan	6.9	5.3	29	28
Developing Countries	3.1	2.4	52	35
USA	6.5	3.8	1,473	1,056
Japan	1.0	1.1	243	401
Germany	2.9	1.7	634	509
Industrial countries	3.6	2.3	742	526
WORLD	4.0	2.4	185	143

Source: *Human Development Report*

Chart-1
Defence Expenditure as Percentage of GDP

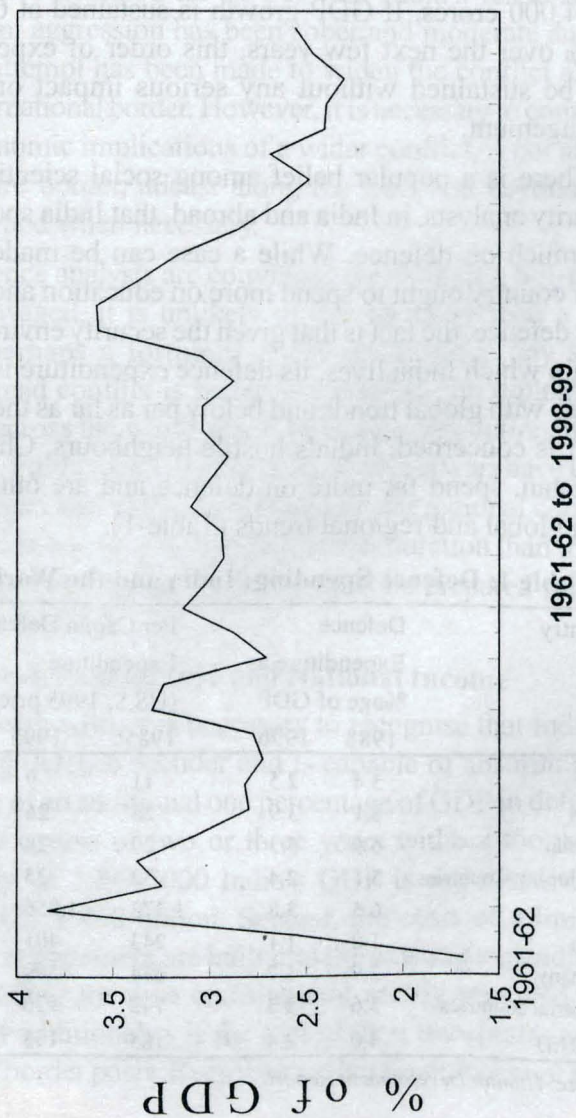


Table-2 India: Defence Expenditure Statistics
(In billions of Indian rupees)

Year	Def Exp (bn.Rs.)	GDP Current market	Popula- tion (mns)	Defence Forces '1000	Central Govt. Expend- ture(CGE)	Defex/ GDP (%)	Defex/ CGE (%)
1961-62	2.8954	171.77	455.0	490	14.765	1.69	19.61
1962-63	4.7391	184.76	459.0	562	23.525	2.56	20.14
1963-64	8.1612	212.37	462.0	585	32.062	3.84	25.45
1964-65	8.0580	247.65	470.0	867	34.889	3.25	23.09
1965-66	8.8476	261.45	470.0	869	39.406	3.38	22.45
1966-67	9.0859	295.71	495.0	879	44.584	3.07	20.38
1967-68	9.6843	346.11	514.0	977	44.972	2.80	21.53
1968-69	10.3319	366.74	529.0	990	45.258	2.82	22.83
1969-70	11.0088	403.87	541.0	925	42.947	2.73	25.63
1970-71	11.9928	431.63	554.0	930	55.766	2.78	21.51
1971-72	15.2534	462.53	566.0	980	67.097	3.30	22.73
1972-73	16.5223	510.05	579.0	960	78.493	3.24	21.05
1973-74	16.8079	620.07	591.0	948	81.308	2.71	20.67
1974-75	21.1227	732.35	604.0	956	97.849	2.88	21.59
1975-76	24.7229	787.61	617.0	956	120.356	3.14	20.54
1976-77	25.6253	848.94	630.0	1,055	131.500	3.02	19.49
1977-78	28.1300	960.67	643.0	1,096	149.856	2.93	18.77
1978-79	30.6000	1,041.90	661.0	1,096	177.172	2.94	17.27
1979-80	35.5000	1,143.56	674.0	1,096	185.042	3.10	19.18
1980-81	40.9100	1,360.13	689.0	1,104	224.948	3.01	18.19
1981-82	46.5180	1,597.60	704.0	1,104	254.012	2.91	18.31
1982-83	54.0830	1,781.32	720.0	1,120	304.937	3.04	17.74
1983-84	63.0917	2,075.89	736.0	1,250	359.877	3.04	17.53
1984-85	66.6057	2,313.43	752.0	1,380	438.789	2.88	15.18
1985-86	79.8749	2,622.43	768.0	1,515	531.124	3.05	15.04
1986-87	104.7745	2,929.49	784.0	1,492	640.231	3.58	16.37
1987-88	119.6749	3,332.01	800.0	1,502	703.046	3.59	17.02
1988-89	133.4102	3,957.82	812.0	1,362	814.023	3.37	16.39
1989-90	144.1600	4,568.21	825.0	1,260	950.494	3.17	15.26
1990-91	154.2648	5,355.34	843.0	1,200	1,040.730	2.88	14.69
1991-92	163.4704	6,167.99	858.0	1,200	1,127.310	2.65	14.50
1992-93	175.8179	7,059.18	877.0	1,150	1,259.269	2.49	13.96
1993-94	218.4473	8,107.49	892.0	1,100	1,457.800	2.69	14.75
1994-95	232.4523	9,634.92	910.0	1,100	1,669.984	2.41	13.92
1995-96	268.5629	11,189.64	934.2	1,145	1,916.182	2.40	14.01
1996-97	295.0508	12,769.74	950.6	1,145	2,173.184	2.31	13.58
1997-98	360.9900RE	14,592.30E	973.9	1,145	2,324.813	2.47	15.52
1998-99	412.0000BE	16,088.01P	987.00	1,145	2,681.070	2.56	15.37

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Note: Data for 1998-99 is based on the *Economic Survey 1997-98*.

Sources: 1. Defence Expenditure (Defex) data of India, *Defence Service Estimates* of relevant years.

2. *Economic Survey*, Government of India, of relevant years (latest issue: 1997-98).

3. *INDIA-A Reference Annual*, Ministry of Information and Broadcasting, Government of India of relevant years (for GDP figures 1961-1984).

4. *Military Balance*, (IISS, London) various years.

5. *World Military Expenditure & Arms Transfers*, (ACDA, US Government, Washington DC), various years.

Moreover, some analysts believe that India's defence spending is highly cost-effective and there is little margin for trimming. Not only is India one of the lowest spenders on defence, both in terms of share of GDP and per capita dollar income, but it has systematically reduced its defence spending in recent years (Table-2 and Chart 1)

India's moderation in defence spending has finally come in for positive comment by the Western security analysts in recent years. Thus, a recent Regional Security Assessment by Jane's Information Group (UK, 1997) observed, "India's defence spending remains modest compared to other countries with major security concerns." In a detailed analysis of Indian defence spending, a U.S. analyst at the U.S. National Defence University has observed: "India's military expenditures are about 2.5% of GDP, down from 4.0% a decade ago. That is a low level of expenditure. It is difficult to see how much impact there would be on the Indian economy if the spending were cut by half."

Reading a paper at a Symposium on India at the National Defence University, Mr. Patrick Clawson said: "Part of the reason that there is such limited potential for a peace dividend in India in that spending is that the Indian military is remarkably cost-effective. That is, the Indian military is able to produce a considerable impact given the size of its budget. We economists usually argue that such cost-effectiveness comes from concentrating on one's comparative advantage, that is, doing what a country does best. It would appear that India has followed this prescription effectively."¹

The data also shows clearly that there has been a secular decline in Indian defence spending in 1990s.

Against a base year index of 100 in 1985 for the size of the armed forces, India's index value for 1997 was 91 compared to an index value of 122 for Pakistan. If the trend observed in India during the 1990s is corrected now, as a result of the Kargil conflict, India will still remain within a globally acceptable framework of defence spending so long as the net impact of defence modernisation and stock replenishment is around half to one percentage point of GDP. In short, available data suggests that India is a cost-effective defence spender and it retains the margin for increased spending over the next year without going seriously out of line with the long-term trend rate and world average of defence to GDP ratio.

For the limited purpose of assessing the impact of the present conflict on the economy, given the absence of actual cost data, one rule of thumb estimate can be derived by considering the economic and fiscal impact of a similar conflict in the past. The best parallel to consider would be the cost of the operations of the Indian Peace-Keeping Force in Sri Lanka in 1987-89. It is interesting to note that while India's defence expenditure was stepped up, as a proportion of GDP, in the mid-1980s, this happened before the IPKF operations were launched and not as a consequence of it. The ratio of defence expenditure (defex) to GDP went up from an average of 2.97 per cent in 1980-85 to 3.41 per cent in 1985-88, but came down to 3.37 per cent in 1988-89 and to 3.17 in 1989-90. Subsequently, there was a secular decline to levels below 3.0 per cent of GDP. The 1980s bulge in defence spending was largely a catching up phenomenon, which took care of almost a decade of neglect of defence modernisation. (Table-2, Chart 1)

Consider the impact of the IPKF operations on deficit management. While there was an undoubted deterioration in deficit management in the second half of the 1980s, with the fiscal deficit to GDP ratio going up from an average of 6.3 per cent in 1980-85 to 8.2 per cent in 1985-90, there was, in fact, an improvement in the situation in the late 1980s with the ratio peaking at 9.0 per cent in 1986-87 and gradually coming down in subsequent years. Even the revenue deficit to GDP ratio deteriorated sharply in 1984-86, slipped again in 1986-87, but remained stable in 1987-90. In any case, much of this expenditure was incurred in rural development and domestic subsidies than on defence.

More importantly, during this entire period, economic growth did not suffer and national income growth peaked in the year 1988-89, with GDP growth registering a double-digit figure in that year of 10 per cent. NSS data also suggest that this period is associated with a decline in poverty and an increase in rural non-farm employment. It must also be borne in mind that during this entire period greater economic damage was inflicted by internal terrorism than the Sri Lankan operations. Despite substantial wasteful expenditure on internal and external security in the 1980s, there is no evidence to suggest that this hurt economic growth or industrial activity. If the government had taken appropriate action in keeping external debt, especially short-term debt, in check in the period 1988-90, the balance of payments crisis of 1991 may not have even occurred.

Going beyond this limited comparison, if we take a more long-term view of the role of defence expenditure in government expenditure and national income, it should

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be clear that barring the sudden jump in defence spending after the Chinese aggression in 1962, there has been no sustained increase in defence spending nor has there been any excessive episodic impact of specific wars on defence spending or GDP growth. As Chart-1 shows, while defence expenditure increased sharply in 1961-63, as a percentage of GDP, the five-year moving average remained remarkably stable till 1986, when again it jumped for a two-year period. This was the phase of modernisation of the defence forces and was not a consequence of any specific conflict. Since 1989, there has been a secular decline in defence spending, as a ratio of GDP, and any expenditure this year, in response to the Kargil operation can only bring this ratio in line with the long-term trend line. Thus, all concern about excessive defence spending in the wake of Kargil should be discounted and the problem viewed in a proper perspective.

2. The Indian Economy Today

While past trends are encouraging, the question remains whether the Indian economy can afford a war today. There are two ways in which this question can be answered. First, by assessing the strengths and weaknesses of the economy today, compared to earlier periods when India was involved in a military operation. Perhaps, a more legitimate comparison in the present context would be to assess the strengths and weaknesses of the Indian economy compared to the Pakistan economy today. Between the two which country is better placed to sustain and absorb the economic impact of a conflict between them. We shall attempt to answer these questions in this and the next section.

2.1 GDP Growth and Prices

After nearly two years of subdued economic growth and industrial recession, the Indian economy is on the recovery path this year. After the near zero-growth year of 1991-92, India recorded a five-year average rate of growth of over 7.0 per cent during 1992-97. This slipped to 5.0 per cent in 1997-98 and improved to 6.0 per cent in 1998-99. In 1999-2000, GDP growth is expected to climb above 6.0 per cent. Data for the fourth quarter of 1998-99 indicate a strong recovery in economic activity. The economy grew at the rate of 8.4 per cent in January-March 1999 over January-March 1998. This compares with a 1.5 per cent growth in the same quarter for the previous year. This is largely on account of an improvement in agricultural production, and current indications point to a normal monsoon again this year.

Market analysts also point to signs of industrial recovery in the first quarter of 1999-2000. Increase in cement sales, housing activity, steel demand and auto sales point to industrial recovery and increased household consumption. The IIP index of manufacturing recorded an increase of 7.8 per cent in April 1999 compared to 4.9 per cent last April. The general index of IIP recorded an increase of 6.8 per cent in April 1999 compared to 4.8 per cent last year. To push this recovery into double-digit levels, effective public policies are required and that will have to wait till after the elections. There is no doubt that political uncertainty and discontinuity has imposed a burden on the economy. For that reason, however, one can argue that the additional element of economic uncertainty introduced by the Kargil conflict can at best

be marginal. If this conflict is resolved by the time a new government is in place, the overall impact of the conflict on investment decisions would have been marginal. In short, the timing of the Kargil conflict has helped minimise its negative impact on the investment climate.

On the macro-economic front, inflation remains a concern despite the present low rate of point-to-point inflation based on WPI. If the impact of point-to-point comparisons is eliminated and an annualised estimate is derived, the WPI rate of inflation works out to over 5.0 per cent. Even this is below the long-term average of 8.0 per cent. However, given fiscal and monetary pressures latent in the economy and the sentiment of scarcity that takes hold in a period of prolonged crisis, inflation can easily rear its head. More than a generalised inflation, commodity-specific scarcities can easily emerge, as it happened with onions last year. Unless the government is vigilant about such pressures and is prepared to use forex reserves to import scarce commodities, the economy remains vulnerable to inflation.

Finally, in the medium-term, war demand can have a positive impact on economic growth in a large economy, rather than a small economy. Small economies, particularly Pakistan, are more import-dependent in general and with respect to war demand in particular. India's substantial domestic defence production potential can help internalise the multiplier effects of increased war-related spending. While the import demand for new equipment may increase after the war, in the course of the war much of the additional demand will be for local

production and this demand can be more easily met in India than Pakistan.

2.2 External Sector

The real contrast between India and Pakistan is in their external profile. India's external profile has been improving and is expected to improve further, while that of Pakistan has not only been deteriorating, but is expected to further deteriorate.

An important area of concern for India is the recent increase in oil prices, the burden of oil imports at a time when exports have not been doing well. After a spell of subdued and abnormally low prices, oil prices have shot up to around US \$ 16 per bbl. While India can live with this level, any further escalation of oil prices can exert a pressure both on the external account and on domestic prices. However, an expected decline in gold imports and the recent boom in software exports are expected to balance this factor. After two years of stagnation there has been an upturn in export growth. Moreover, sustained capital inflows have kept the current account deficit at the very low and extremely safe level of 1.0 per cent of GDP in 1998-99, with foreign exchange reserves (excluding gold) upwards of US \$ 30 billion, compared to Pakistan's forex reserves of just one billion dollars, that too with support from a huge IMF loan.

While the post-Pokhran budget had a negative impact on the sentiment of foreign investors, the February 1999 budget helped bring external sector policies back on course and this has had a positive impact on FDI and FII sentiments. Thus, according to a Business Confidence Survey conducted among the CEOs and CFOs of the

world's 1000 biggest firms, India's rating as an investment destination improved between December 1998 and June 1999. Interestingly, the June survey was conducted after the Kargil conflict broke out. Despite the heightened political tension in South Asia, India moved up from the 7th rank to the 6th, following USA, China, UK, Brazil and Mexico, and ahead of all South-East Asian and European economies. Even more reassuring is the fact that the increase in the pro-India sentiment among global CEOs was third fastest, after USA and South Korea, between end-'98 and mid-'99.

This shift in sentiment is reflected in sustained capital inflows into India. While the Kargil conflict temporarily disturbed this trend, with FIIs holding back new investments, the long-term sentiment remains buoyant. The AT Kearney study, however, emphasises the fact that FDI flows into India can easily be more if only India had a more transparent and consistent FDI policy. It is domestic policy rather than political uncertainty or conflict which is holding back more FDI into India. Post-Kargil diplomacy will be a new factor that any government will have to take into account in shaping India's external economic policies. The positive sentiment of the world community, especially the G-8, can be multiplied to India's advantage if the government pursues with renewed enthusiasm a more outward-oriented trade and investment policy. The sentiment in India's favour contrasts sharply with the negative sentiment on Pakistan, as we shall see below, and India must derive the full advantage of this positive environment by renewing her commitment to a policy of economic reform and liberalisation.

India's external debt profile has also improved. At \$ 95 billion, the total foreign debt is just 23 per cent of GDP, well within acceptable limits. At \$ 3.6 billion, the short-term debt is particularly low, being a mere 3.8 per cent of total debt. The debt-service ratio, which was around 35 per cent in the crisis years of 1991, is at an all-time low of 19 per cent.

Table-3 : Macro-Economic Indicators—India and Pakistan

Item	1997-98		1998-99		1999-2000	
	India	Pakistan	India	Pakistan	India	Pakistan
Real GDP Growth	5.8	5.4	6.0	3.0	6.0	4.0
Agriculture	-1.0	5.9	5.3	4.5	3.0	4.5
Manufacturing	6.7	7.0	4.1	1.0	6.0	1.6
Services	8.3	5.3	6.8	4.0	7.0	4.2
Public Admn. & Defence	--	2.0	--	7.0	--	6.0
Domestic Demand	5.3	1.9	5.5	2.8	5.3	4.1
Real GNP Growth	5.0	5.6	5.7	2.9	5.4	4.2
Exports	1.5		0.4		2.5	
Imports	4.2		7.5		5.5	
Prices	6.8	7.8	5.0	11.0	--	8.0
Exchange Rates/\$	37.16	42.70	42.20	46.90	46.50	56.00
Forex Reserves	29.3	1.7	31.0	1.1	32.5	--
Fiscal Deficit (% of GDP)	6.1	5.4	5.8	5.3	5.2	6.0
Current Account Deficit (% of GNP)	-1.5	3.3	1.0	4.5	1.3	4.7
Short-term external debt As % of forex reserves			\$3.6 bn 12%	\$2.3bn 209%		

Source: For India : *Economic Survey and CLSA Forecast*

For Pakistan : IMF & Credit Lyonnaise Securities Asia (CLSA)

3. Pakistan Economy Today

The thesis advanced by many security analysts that Pakistan's aggression along the Line of Control in the

State of Jammu and Kashmir is more an act of desperation on the part of an increasingly alienated government rather than an offensive launched by a confident regime is atleast partly testified to by the fact that the Pakistani economy is in serious trouble and the present conflict can only make matters worse.

With the singular exception of the agriculture sector, Pakistan's economy is in a tailspin and all leading indicators suggest things can get worse before they get better. Apart from internal civic strife, Pakistan has been badly hurt by the post-Pokhran sanctions and the loss of investor confidence in its economy. While India has been able to recover from the negative impact of the sanctions and stabilise her external economy, Pakistan was forced to seek rescheduling of debts and a large package of assistance from the International Monetary Fund (IMF) through the Fund's high-conditionality windows, namely, the Extended Fund Facility (EFF), Enhanced Structural Adjustment Facility (ESAF) and Compensatory and Contingency Financing Facility (CCFF).

Assessing the Pakistan economy, the IMF's Policy Framework Paper (PFP) observes that, "Following the May 1998 developments, financial conditions have deteriorated as a result of loss of investor confidence, a decline in private capital inflows, imposition of economic sanctions, and the suspension of new official bilateral and multilateral disbursements for non-humanitarian purposes." Seeking to respond to this crisis, the Pakistan government hiked petrol and telephone rates and imposed a massive economic burden on the people. Says the Fund, "Notwithstanding these measures, the economy remained vulnerable."

The ESAF Policy Framework Paper, 1998/99-2000/01 states that Pakistan's total external financing requirements for the 3-year period are \$ 19 billion. Given this demand, IMF expects private flows of not more than \$ 1.3 billion during the 3-year period, given the negative sentiment on Pakistan. The PFP states:

"After a relatively modest build up of gross official reserves (\$1.3 bn), large residual financing gaps are projected.... These gaps could be covered by official project loans amounting to US \$ 4.0 bn and grants (\$ 400 mn), which are linked to the public sector investment programme; and trade credits of about \$ 680 mn covering government-sponsored food imports. In addition, the government expects to mobilise \$ 0.4 bn of medium-term commercial loans and \$ 1.3 bn of short-term commercial loans. The residual financing needs, estimated at \$ 12 billion would be covered by expected financing over the programme period from the Fund (\$ 1.6 bn), the World Bank (\$ 1.4 bn), Asian Development Bank (\$ 1.0 bn), some potential bilateral creditors (\$ 400 mn), as well as large exceptional financing in 1998-2001 amounting to \$ 7.7 billion. This exceptional financing would arise from a comprehensive rescheduling of public and publicly guaranteed debt owed to Paris Club and other bilateral creditors, as well as to commercial and private creditors; a restructuring or refinancing of government short-term debt; and the roll-over of short-term liabilities of financial institutions."²

In exchange for this large support programme, Pakistan has committed itself to a severe adjustment programme which includes hiking user charges, improved tax collection, privatisation of public enterprises and so on. The social and political consequences of such a

deflationary adjustment programme, particularly in the context of a politically volatile Pakistan in the aftermath of its defeat in Kargil, could be serious.

Private investors have clearly factored this into their overall negative assessment of Pakistan. The response of the market to IMF's Pakistan programme has been very negative. In a hard-hitting assessment of the Pakistan economy, the multinational financial firm, Credit Lyonnais Securities Asia (CLSA), has said:³

"The lack of political will to comply with tough IMF conditionality is well-known. Our concern at the outset of the new Pakistan programme, is that the IMF may have lost sight of its objective which is to get the derailed Pakistan economy back on track. [Criticism by some has gone further, suggesting that political expediency rather than economic considerations are driving the new programme] ...IMF-Pakistan agreements have a low credibility status, not surprising following the repeated collapse of previous programmes.... Pakistan is personification of the IMF's Achilles' heel."

The CLSA's second report for 1999 has warned that:

"If poor compliance [to IMF programme] leads to yet another breakdown of the IMF programme, the Sharif government will not survive. The country will plunge back into a debt crisis and suffer another bout of political destabilisation—an uncomfortable prospect with the military as ever, waiting in the wings."⁴

Making this assessment prior to the Kargil conflict, CLSA adds that an improvement of India-Pakistan relations after Lahore could help improve Pakistan's economic prospects. By the same token, the deterioration of these relations following Kargil can have a serious

negative impact on the Pakistan economy. In early 1999, CLSA, in fact, speculated that an economic downturn could trigger a military take-over in Pakistan. The military defeat in Kargil can only increase such prospects if the civilian leadership is unable to assert itself.

Finally, the impact of the macro-economic downturn in Pakistan is already being felt on the country's human development indicators. Ever since the late Dr. Mahbub ul Haq began computing the Human Development Index, which is a measure of well-being in terms of educational attainment, health status, longevity and per capita income. Pakistan has been one step ahead of India largely on account of a higher per capita income. This year's report, which is due to be officially released shortly, places the Indian economy six steps ahead of Pakistan. While Pakistan's rank has slipped from 137 to 138, India's rank has moved six places forward from 138 to 132. This relative improvement is largely on account of the higher growth of national income during the 1990s. This simple figure captures the underlying reality about India and Pakistan. The Indian economy has been growing at unprecedented levels during the 1990s and is expected to continue to grow at an average rate of at least 6.0 per cent per annum over the next decade. The Pakistan economy, on the other hand, has been growing at a much slower pace and its external economic profile is extremely negative. For the first time since partition, the Pakistan economy is beginning to fall behind India.

Keen observers of South Asia have already recognised this trend and its implications for the region. An analyst at the U.S. National Defence University, Washington DC,

drew the appropriate conclusion that the acceleration of India's growth rate in the 1990s, and the relative stagnation of the Pakistan economy will increase India's economic, military and diplomatic profile both within the region and globally. To quote:

"The changed GDP ratios (between India and Pakistan) would have military implications. Given that India spends 2.5 per cent of its GDP on its military and that Pakistan's economy is 19 per cent the size of India's, Pakistan would have to spend 13 per cent of GDP to match the Indian military budget in absolute size. In fact, Pakistan cannot afford to spend that much. Pakistan can only afford military spending that is little more than half the size of India's. That is, Pakistan can only afford to dedicate 6.5 per cent of its GDP to the military, because more would drain away the resources needed for the investment that sustains future growth. Already Pakistan faces the same quandary as the former USSR; the military spending necessary to keep pace with the historic foe would drain off so many resources that the economy would fall further behind that of the adversary. The problem will get much worse (when) Pakistan's GDP slips relative to that of India. As India becomes richer, it will be able to afford to fund its military more generously. The ratio between the Pakistan military budget and that of India could easily become one to three, rather than one or two. At that point, it would become less and less plausible to see Pakistan as in any way comparable in national power to India.

"In short, the gap between India and Pakistani economic prospects could lead to a shift in the balance of power in the region. On present trends, India is likely to become the clearly pre-eminent regional power. Indeed, as the difference in economic growth rates becomes clearer, the trends in India's favour will affect perceptions; India

will be seen as the power of the future, and that will in turn multiply its power in the present.”⁵

This assessment of 1997 understates the extent of the gap between India and Pakistan because the latest World Bank estimates show that the latter's economy is in fact only 14 per cent the size of India's, and not 19 per cent, and secondly because India has been able to sustain a 6 per cent rate of growth over the last two years while Pakistan's growth rate has declined to around 4 per cent. In the aftermath of Pokhran-II, the negative impact of sanctions on the Pakistan economy, and the loss of international confidence in the future of Pakistan given the growing “Talibanisation” of the Pakistani polity and the inability of the urban elite to impose their vision of a modern Islamic state on an increasingly fundamentalist and communalised people, the Pakistan economy is in an even deeper crisis.

4. Economic Policy Options for India

The above analysis shows that the most important priority for India, on the economic front, in the wake of the Kargil crisis, is to continue to pursue the policies initiated in the 1990s to step up India's GDP growth rate within the framework of a more open and outward-oriented economy. If India can grow at even 6.0 per cent, hopefully, the growth rate can be pushed even higher, and this growth increases the size of the home market as well as India's share of world trade, this will have a positive impact on her economic well-being as well as political influence. As China, Korea and some of the East and South-East Asian economies have shown, economic and political stability and influence are directly and positively

linked to sustained economic growth and improved human development indicators. Hence, any policy that is growth-oriented and encourages trade expansion is warranted both in the interests of well-being and national security.

Second, the government will have to take a closer look at its budgetary priorities, cutting down on wasteful expenditure and subsidies to the better-off sections of society and increasing public investment in economic and social infrastructure, including defence and defence-related R&D. Productive public investment has suffered during the last decade of fiscal adjustment. This does not augur well for our economic growth, well-being and security.

More than increasing defence spending, India's priority will have to be to restructure such spending towards modernisation of the armed forces and their infrastructural support services. Government policy must be aimed at both increasing public investment in the infrastructure sector as well as facilitating more private investment, both domestic and foreign. Given the likely pressure to increase defence spending, fiscal management must improve and the revenue and fiscal deficits must be brought down. Public investment in critical infrastructural areas will have to be financed through increased public savings, higher revenue from improved collection of direct taxes and user charges for public services, privatisation of non-strategic public enterprises and diversion of funds from non-productive uses. Improved fiscal management and a consistent, transparent and positive policy towards foreign trade and direct investment are necessary in the interests of national security. It is not just the Central Government which must become more fiscally responsible in the

interests of national security, but also the State Governments. Improved economic management should be viewed as a national priority.

Third, in the short-term, day-to-day pressures may be generated by the course of events which get reflected in the response of the stock and money markets. Market operators must recognise that fluctuations in stock market indices and exchange rates are par for the course in a market economy and should not be viewed as symbols of national pride. A depreciation of the rupee can have both positive and negative consequences for the economy and should not be made a subject of national prestige at a time like this. At the same time, close watch must be kept on inflationary pressures and sound macro-economic policies pursued so that adverse fiscal and monetary pressures are not generated on the price and foreign exchange fronts.

Indians have generally welcomed the positive attitude of the global community towards India in the Kargil conflict. India must reciprocate this sentiment by becoming a more open economy which enables it to create relations of mutual benefit and inter-dependence so that the world has a greater stake in India's stability and prosperity. Equally, we must become a more productive and caring people to ensure that the benefits of development reach all. Unless human security is ensured at home, through the improvement of general well-being, human development and higher incomes of the people, national security cannot be assured merely through increased investment in defence and the security apparatus. Human security is at the heart of economic security. Economic security is the foundation of national security. □

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NUCLEARISATION OF THE SUBCONTINENT AND THE CHANGING DEFENCE SCENARIO

K. Subrahmanyam *

There is a view in this country that nuclearisation of the subcontinent was something India started and Pakistanis have only followed suit because they had no other option. This kind of impression persists because we do not bother to learn the facts.

I was recently in Pakistan two months back. There I met General Ghulam Omar who was the National Security Council Advisor to General Yahya Khan. He told me about what the Pakistanis did in the sixties. He said, as India was doing in 1965, under the insistence of Zulfikar Ali Bhutto who was then the Minister for Atomic Energy, Pakistanis also set up a committee to consider going nuclear and the Committee consisted of three people namely Bhutto, Finance Minister Shoaib and General Omar. Bhutto pressed for Pakistan going nuclear, acquiring plutonium production reactor, a plant for separation of plutonium and going ahead with the weapons programme. You may all recall Bhutto wrote a book at that time called *The Myth of Independence* in which he argued that only countries with nuclear weapons were sovereign in the world, the rest were not.

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According to Gen. Omar, he himself opposed the nuclear weapons programme and so also the Finance Minister, Shoaib. So Bhutto did not have his way. Then in 1971, the first day Bhutto took over office, he retired Gen. Omar from the army and passed orders for his detention. In January 1972, Bhutto took the decision to go nuclear at a meeting of scientists in Mulkan. Mrs. Indira Gandhi told the Indian atomic energy establishment to start preparing for an underground nuclear test only in October, 1972.

We were advanced in technology than Pakistan and we had much larger infrastructure. So, we completed the programme in May 1974. Meanwhile, Pakistan was going ahead with various preparations. Bhutto wrote when he was waiting to be executed that the service for which he would be remembered by the people of Pakistan was not that he was the Prime Minister of Pakistan, he pulled Pakistan out of the mentality of defeat and he gave a Constitution to Pakistan, but for a Treaty which he signed with another country after eleven years of negotiation. In June 1976 he visited Beijing and he signed the Treaty for Transfer of Nuclear Weapon Technology to Pakistan.

So the Pakistani nuclear programme, we must understand, is independent of the Indian programme. It suits Pakistan to say that they responded to our programme.

After 1974 nuclear test, Mrs. Gandhi herself did not proceed further and she could not also pretend after 1975 when the two nuclear weapon powers declared that they had tried all the peaceful nuclear explosions and there was no possibility of having commercially viable

exploitation of peaceful nuclear explosions because everything that one got out of a peaceful nuclear explosion get contaminated by radio activity. We were, therefore, not in a position to conduct such explosions and for a long time, therefore, our programme went into a kind of limbo. It was not pursued vigorously in 1979 when we had full information that Pakistan was on to a sustained nuclear weapons programme.

The first person who announced it to the world in the first week of April 1979 was the then Foreign Minister Atal Bihari Vajpayee in Indian Parliament. A few days later President Carter imposed sanctions on Pakistan under the Symington Amendment. The idea that but for our nuclear test Pakistanis would not have gone nuclear is just an illusion in our mind. It has no basis in fact.

Pakistan went ahead full steam, and in 1987 they made the bomb. At that time India was absolutely naked. We did not have anything. We knew how to make it, but we did not have it. It was only in 1990 three years later we caught up with Pakistan. Both countries have been having the bomb from 1990. Pakistan from 1987 and India from 1990. Both countries were developing their weapons side by side. Pakistan was getting assistance from China and the US was looking away.

The US knew all about it, but they looked away because they needed Pakistan's support for the Afghan War. Only after the Soviets withdrew from Afghanistan, the US came down on Pakistan with Pressler Amendment and that too when General Aslam Beg started siding openly with Saddam Hussein.

Both countries are now nuclear and the Pakistanis are in a position to deliver a first generation nuclear weapon on India through aircraft as well as missiles which they have got from China and North Korea. India also is in a position to deliver nuclear weapons on Pakistan with aircraft and Prithvi missiles. That is a reality we cannot overlook. Does it mean, that the subcontinent has become a nuclear flash point and tomorrow Pakistan is going to drop atom bombs on India or the Indians are ready to drop bombs on Pakistan. The answer is no, it does not mean that. Many people think that as soon as nuclear weapons are produced, they will be distributed like artillery shells to the forward areas. Nobody is going to do that. We can be absolutely certain that all Pakistani nuclear weapons are absolutely safe and tightly kept locked up under the authority of the Chief of Army Staff of Pakistan. He is not going to hand over that weapon to any of the other Corps Commander because he will be very worried about what that Corps Commander will do with that weapon to challenge him. In the Cold War era they had battlefield nuclear weapons and with 155 mm gun like our Bofors and M-9 gun the Pakistanis could fire that kind of shell. That weapon does not exist today in the hands of either Pakistan or India and that kind of confrontation is not being anticipated, either by Pakistan or India. And therefore these weapons are not going to be deployed in any forward areas.

Secondly, long ago, as early as 1979, a book was written in India by two people namely Maj. Gen. D.K. Palit and P.K.S. Namboodiri, who spelt out to Pakistan the consequences of its using nuclear weapons against this country. The Pakistanis are not going to use nuclear

weapons just because they got a setback in Kargil. They are not even going to use nuclear weapons if there is a large-scale fighting on the LoC. Because if one uses a nuclear weapon, he does not know what the adversary is going to do to him. A nuclear weapon will invoke a nuclear response. Pakistan in that respect is extremely vulnerable. Most Pakistani cities are very close to the Indian border. They are all situated not more than 150-200 kms. from our border. Peshawar and Quetta may be slightly farther away. They are all within the range of an aircraft. And the Pakistani population is concentrated in that border area. The Pakistani high dams are all within the range of Indian aircraft and some 10-12 weapons on Pakistan will mean Pakistan will be totally devastated.

Therefore, one should not expect Pakistan to take any such risk. And India has assured that it will never be the first to use nuclear weapons. Under these circumstances, what are the risks of a nuclear war starting between India and Pakistan. The answer is almost nil. At the same time, the nuclear weapons do have an impact on the military relationship between the two countries. That impact will be that a nuclear weapon country cannot be threatened beyond a particular point. There are some tolerance limits beyond which India cannot push Pakistan. There are people in our country who talk about punishing Pakistan. That cannot be done in the military sphere. If we threaten to punish them too much, then we shall be driving them to a corner and they may have to think about resorting to nuclear weapons. Therefore, we should be careful in our language. We cannot talk in terms of "oh, we are sick and tired of this; we have had five wars started by Pakistan; we are not going to have any more wars and, therefore,

this time we will teach Pakistan a lesson, punish Pakistan.” We have to forget about punishing Pakistan.

Therefore, there is a limit beyond which you should not risk testing the tolerance of a nuclear adversary. That both sides will have to bear in mind and I think both sides do bear it in mind.

Then there is yet another dimension which one has to think of in the nuclear context. Some are talking about the US and its influence on the subcontinent. Let me say this, it is not a question of whether the Americans are virtuous or not. Americans are not going to permit any other country in the world to use a nuclear weapon. It has got nothing to do with whether they like you or not. It is not in their security interest to permit any nation in the world to use a nuclear weapon and get away with it. The Americans will consider that development as a threat to their national security and the Americans have the means of finding out what India or Pakistan does. If the Pakistanis start even fitting their aircraft with nuclear weapons or getting their missiles out and start fitting in nuclear warheads to the missiles, the American satellites will pick them up and in real time the information will be available to the US. The US has got the necessary means of disarming any country in the world. It is not a question of whether we like it or not. But it happens to be a fact. The question does not arise in the case of India because we are not thinking of using nuclear weapon first at any time. But if Pakistan were to think of using a nuclear weapon, if they start making any preparations, we will retaliate if they hit us. But much before it is most likely that the Americans will disarm them. One message the Americans

sent when they hit Osama Bin Laden, was directed at Pakistan saying, "we watch over you and we will know what you are doing and therefore we can do what we did to Bin Laden." In 1990 the Pakistanis did try nuclear blackmail by giving the message that in Kashmir they got the upper hand. But the Americans intervened in that. They did not tell us about it. They wrote about it much later. When Robert Gates came to Delhi, he never talked to V.P. Singh or Raja Ramanna or to the Chief of Army Staff or Defence Secretary about nuclear issue; but the Americans did give a lecture to Ghulam Ishaq Khan and Aslam Beg and warned them not to try out nuclear blackmail.

They told them that the Indian retaliatory capability itself would take care of them. That lesson the Pakistanis are not likely to forget. Therefore, we should look at the nuclear issue in appropriate perspective. Some people wrote articles on the nuclear issue during the Kargil crisis, but in all the official pronouncements of the US, there was no mention of the nuclear issue. They are focussed on it and know how to act on that, if it becomes necessary. They know that Indian nuclear capability does not create any problem.

So, in these circumstances there is no need for us to talk about the nuclear factor coming into operation in a very limited war. We have got three Divisions even though the number of regiments which are in contact, perhaps, may be 10 or 12. On the other side they have two Divisions in the northern area. Therefore, there is no chance of the Kargil conflict becoming anything bigger. The nuclear factor does operate in keeping it contained that way. The

Pakistan Foreign Secretary or Pakistan Minister for Religious Affairs and others have made threatening noises. I do not think there is any need for us to get unduly worried about. But one point we must remember. If the situation of asymmetry which developed in 1987, when Pakistan acquired nuclear weapons and we did not have them at that time, if we had permitted that to continue, today with the Pakistanis launching a military operation, with India without nuclear weapons and in an asymmetric situation, our position would have been far worse. We should remember that the morale of the soldiers count and the soldiers should have the confidence that his country has the retaliatory capability. When I used to argue for nuclear weapons, I was not talking about dropping it on anybody. It is necessary to have it because then only our soldier will be able to fight with confidence against a nuclear armed adversary.

Therefore, we should have a balanced and sober view about the nuclearisation of the subcontinent. It was inevitable under the circumstances and we did not trigger Pakistan's nuclear weapons programme. Let us not have guilty conscious about it. Zulfikar Ali Bhutto was quite capable of doing it without our having done anything. Our nuclear weapons have restored a balance, they have imposed certain ceilings on the kind of violence that can take place between the two countries and that has not hurt anybody. □

KARGIL: A STRATEGIC AND MILITARY ASSESSMENT

Major General Afsir Karim, AVSM (Retd.) *

The Jammu and Kashmir State has a unique geopolitical status because of its common boundaries with Afghanistan, China's Xinjiang and Western Tibet regions. The Central Asian republics are also its close neighbours. The northern area of Kashmir which borders these regions was considered a great strategic importance by the British. They wanted to keep it under their direct control and the Jammu and Kashmir State was also coaxed to lease these areas for a period of sixty years to the British in 1935.

The strategic importance of Ladakh and northern areas is a major consideration in Pakistan's claim on Jammu and Kashmir. In 1947-48, Pakistan was able to occupy and hold areas of Gilgit, Hunza and Baltistan besides Muzaffarabad—Kotli and Mirpur in the south. Occupation of these areas provided a defensive cushion for Pakistan's heartland and created a launching pad for covert or overt operations against the Jammu and Kashmir State under Indian control.

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Jammu and Kashmir has three major mountain systems which divide the State into isolated compartments with no easy routes of movements between each other. The northern frontiers of Jammu and Kashmir run along the Karakoram and its associate ranges.

In the mountainous terrain of Jammu and Kashmir, movement of large bodies is possible only along river valleys and passes; high ranges cannot be traversed by large bodies of troops because of glaciated areas, high altitude and steep mountains. The Great Himalayan Range originates from Nanga Parbat (8,126 m), runs eastwards and divides the Indus and Jhelum Valleys. The Great Himalayan Range has only one major pass namely Zojila (3,520 m) which connects the Valley with Ladakh. Pir Panjal Range in the southern and western part separates the Valley from Jammu region and the Chenab Valley. The famous Pir Panjal (3,494 m) and Bannihal are the two main passes on this range.

Kargil which lies just across Zojila on the Srinagar-Leh Highway is a key area because it dominates and controls routes from Leh and Skardu towards Zojila. Pakistan has attacked Kargil repeatedly since 1947 to cut off Ladakh from the Kashmir Valley and to obtain routes of ingress across the Himalayan Range into the Valley. In 1947, Pakistan had managed to occupy Zojila, Drass and Kargil. The Pakistan troops had entered this area from Baltistan with Skardu as their base, the same routes have been adopted for ingress in 1999 also.

An audacious and imaginative offensive mounted in the winter of 1948 by General K. S. Thimayya evicted the Pakistan troops from this region. In 1965 Pakistan once again mounted military pressure in this area to interdict

the road Srinagar-Leh Highway between Drass and Kargil. The Indian Army evicted the Pakistani troops from two important posts in 1965 but had to return those after Tashkent Agreement. However, the Indian Army recaptured these posts in 1971 and these have remained with us since then.

Pakistan's aggression in Kargil is, therefore, not a new phenomenon but this time the aggression was during peace time. Unlike previous occasions, Pakistan achieved this time complete surprise and occupied high features across the Line of Control in Drass, Kaksar and Batalik areas of Kargil sector. This area is nearly 150 km. along the LoC and 7 to 10 km. wide. Pakistan opened a new front here in its proxy war against India with the aim of seeking international intervention. They also wanted the Indian Army to rush to Kargil from the Kashmir Valley to relieve pressure on the insurgents and mercenaries there.

The aim was also to question the validity of the Simla Agreement signed in 1972. By questioning the alignment of the LoC, they wanted to claim new areas and reopen the Siachen question.

If Pakistan had achieved success in Kargil, it might have sent large guerrilla forces across Zojila and other passes of the Himalayan Range to 'liberate' parts of the Valley which had been denuded of the Indian Army units. This plan was obviously unrealistic and overambitious, therefore, it could not be sustained beyond the initial phase.

Pakistan's next phase may be intensification of insurgent warfare in the Kashmir Valley, Doda, Poonch and Rajouri. In urban Jammu they may resort to bomb blasts and other methods of disturbing normal life.

It is quite evident that Pakistan will keep the pot-boiling in Jammu and Kashmir one way or the other. The advent of well-armed and organised military units in Ladakh, however, constitutes open aggression and can have serious and far-reaching effects on the Indo-Pak relations. The attitudes have already hardened on both sides and Pakistan's plans to carry out Taliban type operation in Ladakh can lead to a Indo-Pak war. Pakistani threat of many more 'Kargils' have to be taken seriously by India. It is now become necessary for India to be ready for a war in Ladakh and other parts of Jammu and Kashmir.

In the mountain whoever takes the initiative is at a greater advantage than its adversary. India should be prepared to carry the war to Pakistan Occupied Kashmir and northern areas in case of another Pakistani incursion across the LoC anywhere in Jammu and Kashmir. The Indian aim should be to achieve decisive results and not create stalemates.

The Indian offensive has to be swift and it should achieve its objectives before international pressure stops the war. India has to calculate also the threshold beyond which a nuclear war may start. A well calculated move which would allow Pakistan no time to react would have to be worked out. It may be better to aim at crippling or destroying the Pakistani war fighting potential in Jammu and Kashmir rather than capturing territory. However, it may also be necessary to inflict a military defeat on Pakistan in selected areas to shatter the morale of that country and its armed forces. The performance of Indian Army in Kargil has conclusively proved the grit of the Indian Jawans and Junior Officers in adverse military circumstances.

The proxy war in the Valley can, however, prove more difficult as the weight of heavy weapons cannot be brought to bear on the enemy here. In any case the enemy here is not visible fully and neither does he hold any ground which can be captured. The enemy here uses civilians as a shield to protect himself. The collateral damage to civilians cannot be, therefore, easily avoided in this confrontation. The political nature of this kind of warfare can turn military success into political disaster.

Time has come to fight this 'Shadow War' in a more organised manner where army plays only a limited role. Taking lessons from other parts of the world where insurgent terrorism has been successfully controlled, we should examine some of the options applicable here. Some options which may help in controlling insurgency in Kashmir are listed here:

1. First step should be to combat fundamentalist propaganda of Pakistan through special socio-cultural drives. Special groups should propagate tolerance and non-violence which have been a part of the Kashmiri culture.
2. Reorganisation of intelligence network to anticipate Pakistani designs.
3. Raising of armed volunteer groups to provide information of terrorists, their movements and shelters.
4. Psychological war to counter-mobilise local population.
5. Special police forces should replace army in urban centres.

Talibanisation of the Proxy War

Training of the Taliban in Pakistani *madrassas* provided an impetus to the fundamentalist forces. The Taliban culture on the rebound spread in Pakistan itself. This culture which represented fanaticism and ruthlessness became a trend-setter in Pakistan. It spread to the army and created an army of fanatics. Fanaticism, however, does not translate into combat efficiency in modern warfare. The rigid mindset, which this culture creates, hinders national thinking. The setback of the Pakistan Army in Kargil confirms this fact.

Terrorism and guerrilla warfare have been part of two-pronged attack on Kashmir. Now a new dimension of conventional war has been introduced in Kargil. Even in this war various fundamentalist groups are fighting along with the regular Pakistani troops. These fundamentalist groups which were trained initially for Afghan war are indoctrinated to believe that it is their religious duty to kill unbelievers and their supporters wherever they are found. Funded by the ISI and religion-based political parties of Pakistan, they are armed with sophisticated weaponry. These assorted groups, however, soon found out that Kashmir was not Kabul and the Indian Army was better motivated and trained than them.

The Pakistani troops deployed in Kargil had large numbers of Afghan and POK Mujahid war veterans. The Northern Light Infantry (NLI) which is located permanently in Gilgit and Skardu regions has been specially trained in commando tactics and snow warfare for operations in Kargil. The Units of NLI found operating on our side of LoC were:

- 4th Northern Light Infantry
- 6th NLI ex Skardu
- 5th NLI ex Minimarg
- 3rd NLI ex Dansarn (west of Siachen region)

The prominent fundamentalist groups which have been operating in Kargil along with the Pakistan Army were:

- Hizb-ul-Mujahideen (HM): It has Afghan war veterans and sophisticated weaponry
- Harkat-ul-Mujahideen (HUM): Includes mercenaries from various Muslim countries, well-armed and motivated for *Jihad*.
- Laskar-e-Taiba (LET): A highly motivated terrorist group which was formed during the Afghan war, is actively involved in militancy and terrorism in Kashmir.
- Al Badr: An active and well-armed terrorist group which has been active in Kashmir.

The Kashmir dispute with India is being converted into a *Jihad* to obtain benefits of support from the fundamentalist organisations of the Islamic world. This is a misuse of religion for political gains, but it provides money and recruits for the wars in Kashmir. Religion-based parties like Jamaat-e-Islami and Jamaat-e-Ulema Islami of Pakistan provide funds and recruits to these fundamentalist militant organisations. Radicalisation of various Muslim States like Bangladesh is on their plans. The Muslims of India are also their targets. These designs must be firmly opposed by India and exposed for what it is—gross misuse of the fair name of Islam for political terrorism. □

MANAGING FOREIGN RELATIONS: AN URGENT NEED FOR A NEW OUTLOOK *

J. N. Dixit **

While analysing the foreign policy dimensions it is imperative to examine certain aspects of our foreign policy management in terms of our experience of the last fifty years. However this paper does not intend to be trend specific or event specific in terms of recalling our foreign policy. The paper intends touching upon the collective mindset or attitude which has underpinned our attitude towards foreign relations and then will attempt to stress what a foreign policy should not be in terms of our experience. And then it is desirable to try and explore what a new outlook could be in managing our foreign relations.

First and foremost, our mindset over the years has been in the direction of impressing the other countries by our good conduct. It is to be emphasised that getting good conduct certificates from abroad is not good foreign policy. There has always existed a deep desire that India should be appreciated by everybody; India should be considered

* Edited version of the transcript of the presentation made at the Seminar.

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a good country and India should be admired as an upholder of certain pristine values regardless of how it affects our national interest. There can be differences of opinion on a normative level, but I personally, on the basis of whatever professional experience I have, I feel that this desire or anxiety for good conduct is irrelevant for a foreign policy.

Secondly, we have a sense of self, an exaggerated sense of self, which has nothing to do with the existentialist realities of international politics. We want India must become a Permanent Member of the Security Council; India should be in the Executive Board of all multi-fora and India should be acknowledged as a leader in the Asian region. Specially, when we deal with our South Asian and South-East Asian neighbours there is an undercurrent of our articulation with them that their culture, their history, everything were given to them by us. Up to a point people are willing to listen to us, but beyond that they feel that we are suffering from some exaggerated sense of egotism. So the sense of self transmuting itself into—what shall I say, the cosmetic ambitions of foreign policy is again wrong.

The third important point which strikes our attention while analysing the foreign policy dimensions is the fact that demography and physical size alone do not make you a great power. Of course we have a large population, we occupy as a geo-political identity a very large land mass in the South-East Asian region, and we claim five thousand years of culture and civilization. One cannot deny the importance of this factor. They have to be part of the structure of our foreign policy. At the same time demography and size and the civilizational values and the identity as an undoubtedly major civilizational entity have to be backed up by certain ingredients of political stability,

economic power and technological capabilities. Unfortunately this has not gone into our thinking.

Another important problem which need to be addressed in our foreign policy management is our inability to understand the chemistry of power except under pressure. In support of this stand one can draw the attention of what the Secretary-General of the United Nations, the ultimate executive authority of a multilateral organisation, said after the bombing of Iraq by the Americans last year. He commented that it was the proof that good diplomacy and good objectives can only be achieved when backed up by social forces. So one goes back to the famous quotation of Bobbs that contracts not backed up by nice words have no meaning. So there has to be an understanding of the changing chemistry of power, the changing equation and those equations are subject to sets of interests, sets of changing interests and the changing circumstances. If you do not monitor them, if you do not really make a very profound effort to understand them, our foreign policy cannot be effective.

There is yet another lacuna, equally important, which has affected our foreign policy formulations to a great degree. The approach to our foreign policy management has been largely determined by individual aspirations and his/her political compulsions. There is this misunderstanding that foreign policy objectives or large schemes of foreign policy implementation in the national interest can be based on an individual's role in a vacuum. That, if there is a big problem on the boundary with China or if there is a problem with Pakistan, an individual Prime Minister or an individual Foreign Minister feels that he alone on his own can solve it because of his vision, his rationality, his

capacity for persuasion and so on. I submit that those individuals who profoundly affect international relations or even domestic politics, they succeed only when they either represent or personify or embody the collective impulses and orientations of their people. Without that underpinning, individuals do not become the harbingers of important and new developments and only those statesmen or Prime Ministers who by coincidence or by their capacity to have their finger on the pulse of their people, represent the collective aspirations or orientations. Jawaharlal Nehru was able to take India to heights because of his personal stature; also he understood the chemistry of power at that point of time and he understood what will bring India dividends for the first fifteen years. It did bring India dividends regardless of the later criticism. The contrast is Gujral Doctrine. It fully exemplifies the contrast when an individual does not represent the collective impulses and the realities of politics.

So, having said this, let me emphasise what a foreign policy should not be. The foreign policy is never impulsive, somebody says nice things about you. Oh, well wonderful, the world is with us. The task of a foreign policy is not to reflect impulsive reactions. Human beings are impulsive, but foreign policy has to be tempered by a capacity for objective assessment of how rational your impulses are, how responsive they are to a slightly longer term reality. There is no place for emotions in foreign policy as well. It is an unemotional phenomena, if it has to be ideal and normatively effective. Also howsoever deeply committed we may be about frameworks of moralities and values, the existentialist reality is that international relations are an amoral phenomena, both at the bilateral level and at the

multi-lateral level. To presume that because your stand reflects a certain framework of moral values or the issue in which you are a protagonist is fully justified in moral terms, the world will react to it accordingly, is a pipe dream. We have had the experience of it not only in the case of Kashmir, but even in the case of Bangladesh.

Related to this is the point when we assess or when we anticipate reactions of other countries towards our foreign policy issues which are of concern to us, we must be always conscious of the fact that the reaction of other countries is not on the merits of the issue or the objective considerations. Foreign policies of all countries are interested, focussed within definite time frames and the most recent example is the change in the attitude of the G-8 and the US on the current conflict in Kargil. It is a qualitative change, but let me remind that it is a short-term change. It is event specific and time specific. And it is based on the calculations of what the interests of these countries are. In my assessment, I do not think the world is bothered about the welfare of the people of Jammu and Kashmir. I do not think they are bothered whether Kashmir becomes independent or whether Kashmir becomes a part of Pakistan, or Kashmir becomes a part of India. Their concern is very limited that this is an area where there are two sufficiently strong powers which can get involved in a conflict situation, which can affect the strategic environment not only of the subcontinent, but can affect the strategic environment in the Gulf, in Central Asia and so that will result in dislocation of their trade routes. We must remember that this current reaction does not in any way imply that these countries support the Indian claim on Kashmir or the Indian stand on the Jammu and Kashmir issue. That stand remains

unchanged and if this expands, if it is prolonged, if the levels of violence are heightened, their original dialecticism and tutorial giving attitude will return.

We must remember that foreign policies of all countries are interest-focused including China. For obvious reasons at this particular stage given their concerns about their internal development, their centrifugal tendencies and so on, they would rather not have an antagonistic India pushed into a corner. So there is a certain rationality. In this category of arguments, it is fashionable now to say after the Cold War, multi-lateralism has come to the fore; globalisation has come to the fore; possibly there is a democratisation in power equations. In my opinion, it is not so. Even these trends of globalisation and multi-lateralisation function through the instrumentalities of the national strength of individual countries or the collective strength of groups of countries and the relative strength of each group impinges on whether interactions with the WTO, whether it is the role of the Security Council, whether it is peace-keeping transforming itself into peace making—all this is a function of power regardless of the labels under which they are sought to be rationalised or advocated.

What then should be the innovative outlook in the management of foreign relations. We must work at this in the background of three phenomena. I would say though the power equations are not democratised, there has been a democratisation of international politics in the sense that foreign relations and diplomacy are no longer an esoteric exercise among small elites in the power structures of nation-states. So there has been a democratisation of national politics in terms of higher levels of political consciousness, awareness of what is happening with this

is, howsoever unsuccessful it may be, there is a higher level of political and economic expectations which animates international public opinion. Diplomacy has to be responsive to that.

The second trend which one should take note of is the gradual erosion of the concept of national sovereignty. Since the nation-states which came into existence originating from the Treaty of Westphalia, the concept of nationality has gradually undergone transformation. It is not as absolute as it used to be. From being progressive it will become less absolute not because of any sacrificial altruistic self-abnegation by nation-states, but because of the fundamental phenomena of trade, information revolution, etc.

And the third factor is the information revolution which with all its technological dimensions has made international boundaries a little irrelevant.

In conclusion, to evolve an effective foreign policy we need to undertake a combination of steps. First of all, instead of imagined assessment we should make anticipations which are based on detailed analysis. Because Pakistan has attacked us we should not take any decisive orientation in our foreign and security policies. Every foreign policy move should be focussed on what is happening and we should deal with its consequences. There should be always an element of pragmatism and we must focus in our foreign policy only the things which merit to be ideal.

We must give up certain mindsets which have been there for the last four decades because of the Cold War. To illustrate we have been thinking that the Americans are against India all the times; Russians will always be our

friends and China after 1962 has not changed and we must always be suspicious of China. We must look at what is happening now and then judge in what sectors we should be suspicious. So we must give up some of these Cold War attitudes. We must comprehend the constantly changing equations of power, whether it is between Russia and U.S.A., China and Japan, we must be careful about assessing the implications of these equations on us instead of just having static analysis on the basis of some established lines of thinking.

Another aspect in which we have not been fairly good is while we have been good in responding, we have been weak in anticipating. One can cite the instance of Kargil in this context. The aspect of anticipation primarily involves the analysis of regions, countries, languages, economic policies and so on. We must certainly give the highest priority in our foreign policy focus to acquisition of economic power and technologies as different from self-reliance to the maximum extent possible. If self-reliance does not bring about the desired objectives we must have the freedom of option or the freedom of mind to think about other choices which are available, which will serve our interest. Over and above all, our foreign policy should be underpinned by a very profound and unqualified sense of commitment to the unity of the country and the fundamental national interests in territorial terms, in security terms and in terms of our identity as a nation. These commitments have to be nurtured consciously. □

SUMMARY OF DISCUSSIONS

S.K. Singh (Chairperson for the morning session): Ever since I joined the Indian Foreign Service I have encountered basically only two things, Pakistan and the United Nations which fed one another as topics. I can say now that the idea with which I began my career have evolved and changed greatly. In the beginning the idea was that Pakistanis were our brothers. There were six million divided families. We were trying to build up a secular society with tolerance and at the same time understanding the idea which brought into being later on organisations like the UNDP, UNCTAD and UNIDO which began the process of economic cooperation among developing countries. Now all that is gone. Because the ideas which rule the world now are globalisation, and cooperation is not a word which is mentioned too much. In the case of India and Pakistan, the competition is between religious ideologies and this factor has become mixed up with that of globalisation.

I hope it has been noticed by the people, including eminent scholars who are attending this seminar that the UN has hardly any role and is not likely to have a role. When people are talking about internationalising or third party intervention they are thinking of NATO and not of UN; they are not thinking of the Charter. So the questions that come to our mind are: who are the Talibans in this context?; who are the Saudis in this context?; why the money from the Gulf?; why the weapons from wherever

have come?; how has this emanated out of the womb of the Afghanistan problem?; what relationship does the end of the Soviet Union have with the birth of the Central Asian sovereignty?; how can Pakistan exploit that?; and where does the context of Kashmir change?

Nawaz Sharif is so weak at home, so argue a lot of people. Nawaz Sharif is so valuable in the international scene that he is strong enough to defy the greatest of the great and can make a commitment one day and slip out of it the next week.

So these are the ideas which occur to most of us, but I will say one thing that we of the urban educated elite in this country are at great fault. Throughout my life, on many occasions, I felt the need to study Pakistan's economy better, their psychology better, their socio-economic development better but nothing happened. As far as I know, there is no place, no University, no institution studying the psychology of Pakistan. What we have done has lessons for us. What we have evaded doing, refused doing over the last half a century should have many more lessons.

C.P. Bhambri: The so-called international community has been a factor in the problems leading to tensions between India and Pakistan and Manoj Joshi seems to have much confidence in the so-called international community. I would like to say that for fifty years this has not been an issue between India and Pakistan alone but it had been an issue in which the western powers have been clearly interested in a partisan manner and that is continuing even now. So the statement by Manoj Joshi that we should appeal to the so-called international

community, which has already complicated the problem, to see to it that the LoC is recognised is contradictory.

Saral Jhingan: I have been wondering all the time that while America is acting as an international police and dictates terms how the two States should act towards each other. The same America had been quite positively supporting the Pakistani position so far and we had been very vociferous in our opposition to America's interference. Now when America and some other countries have supported the Indian position, so suddenly we have begun to recognise the role of America and this has been a problem which has been puzzling me.

Manoj Joshi: I think what has become very clear, what ought to become very clear to us in this Kargil operation is that if you ought to exert any kind of civilizational influence your right hand must be strong. Take the case of NATO in Kosovo or the People's Republic of China. I think in their multi-level policy they ensure that they build up their national security level apparatus. But here in our country the national security apparatus has been undermined over the years.

Now to come back to the specific question on the role of the international community, what I was trying to drive home is that Kargil has given an opportunity for the first time to put forward the concept of the sanctity of the LoC. In this context it is pertinent to point out Jawaharlal Nehru's grand design, namely the partition of the Kashmir State. The Mirpuris would have been a troublesome lot and the non-Indian territories where they concentrated would have been very difficult to administer. So India retained the Valley and Ladakh and Jammu. I think that

was the grand design. I do not know scholars may probably set me right and I think we have the opportunity today because of Kargil to achieve this grand design.

T.N. Chaturvedi: I would just like to know what is the root of the entire problem? Whatever may be the reasons we went to the United Nations for the settlement of the dispute not under the Article which deals with the question of aggression. So, it is our fault. It was the lack of political sagacity on the part of the Indian leadership which enabled the world community to form an opinion that it was India itself which went to the United Nations under the Article for the settlement of the dispute and not for the vacation of aggression.

Manoj Joshi: The is a very large question and my opinion is yes, we erred. But I cannot in all honesty answer this question because I am not in a position to say what exactly took place in that kind of decision making process and that too when India was very young and a new nation. The United Nations itself was very young and new and besides a set of circumstances were created like the Cold War in which many variables were involved. To untangle today what happened in that period of time is a difficult task and let us forget the past. Today whether it is the border with China or the border with Pakistan, the world community thinks that there is no point raking up the U.N. resolutions. Let us now sit down and decide what is the border. And the borders have been there for the last fifty years. And let this be the border.

K.S. Bajpai: I would like to share the facts which I happen to know from personal experience, apropos the question raised by T.N. Chaturvedi. When we took Pakistan to task

at the United Nations we also wanted to be good boys and not to embarrass them too much. This was made manifest by our extraordinarily inept presentation at the United Nations. Sisir Gupta in his brilliant study of our case points out that while we wanted Pakistan to be branded as an aggressor we did not want to worsen the relations. So we did not want to take the same tone that Pakistan was adopting towards us. That same confusion of objective was at work before we went to the United Nations. So whether we went under chapter VII or VIII has no relevance to the outcome. Whether you like it or not, it has been determined by geo-political and strategic factors and not by the technicalities of the clauses under which we went to the United Nations. But the point that I would like to share with you is that this was a debate between Jawaharlal Nehru and his chief advisers and the actual decision was, however, made under the influence of Gandhiji that we should go under Chapters VI and VII and not under Chapter VIII. He did not want to make things worse in terms of the atmosphere, right or wrong, I don't think it would make any difference because, as I said, there are harder realities which determine these things. But the fact remains that the dispute that you are talking about is not that we have called it a dispute or that we accepted it as a dispute. But the truth is Pakistan's persistent refusal to accept the integrity of India. I do not know why we keep shying away from that reality.

Jagat S. Mehta: I was with Girja Shankar Bajpai as Secretary and I was there with Gopalaswami Ayyangar, who made our plea. When we were in the first months of our Independence one of the clauses in our Constitution

for which Jawaharlal Nehru had to play judge is the international arbitration of peaceful settlement of disputes. The other thing was that there has been a great deal written about Lord Mountbatten. Mountbatten at that time did not want the idea of a conflict between the two Dominions. He just persuaded Churchill to accept the Indian Independence Act on the ground that India had accepted that it would remain a Dominion. And we had, rightly or wrongly, great faith in the United Nations for solving disputes and we did not want to be the first country to go to war or ask for sanctions etc. On the other hand Zafrullah was very vigorous and in the January Resolution he was very rough but the August Resolution of 1945 made some concessions because that provided for ceasefire, withdrawal of the Pakistan forces and thereafter a plebiscite. Now those conditions have never been satisfied, but anyway that is really historical. It would have made no difference if we had gone under Chapter VI or VII. It is a question of the position and the reality today. The conflict is between our memory, the realities of our memory and our public opinion and the present realities of the international situation which has changed greatly.

Shri Prakash: It is not very clear—I mean the annexures to the Simla Agreement lay down line marks which would define the Line of Actual Control. No mechanisms to resolve disputes, interpretations and nothing more about how and where the military posts will be located. We have a Line of Actual Control with China as well and that has been in existence for a fairly long period of time, with far less disputes and of course much lower level of military activity. If you compare the Line of Actual Control with

China and that which came into existence after the 1962 War with the one that is in Kashmir, you obviously find the volatile situation in Kashmir standing in contrast to, apart from the Sunder Rangchu incident around 1988, we really do not have even from the Indian official history side of it, many complaints about military confrontation-like situation arising with China. So I do not know whether it is just a definition on paper. The maps are there but more work needs to be done to clarify this LoC and how it is to be recognised on the ground. It seems to me a little ambiguous the way the Line of Actual Control is left after the Simla Agreement.

Manoj Joshi: I must point out to you as I outlined the process that the LoC was the final one, meaning both sides accepted it. There was no question. All the disputes were settled in those nine meetings that took place with Pakistani officials, whether the land ran through Thakochak to 9121 etc, whether it ran over the ridge or under the ridge, all these were worked out in those meetings. The two objectives met, there were some problems as I told you on that area called Thakochak and that was worked out to mutual satisfaction. No compulsion and so the LoC is a mutually accepted one with no room for subsequent dispute or interpretation.

Gen. Ashok Mehta: Having spent one-third of my life along the LoC, I just want to elaborate one or two points made by Manoj Joshi. I think we have failed as a nation to make Pakistan respect the LoC. There is no doubt about that. While the LoC might have been mutually accepted by both the countries, the LoC has never been accepted in the Pakistani soldiers' mind. So, it has been thei

philosophy for the last fifty years that is by keeping the LoC alive, keep the Kashmir issue alive. And that is the reason why Pakistan has never and I say that it has never accepted the concept of a ceasefire. But it is interesting now that assuming that Nawaz Sharif can deliver the commitment to respect and restore the LoC, then we may be seeing for the first time ever, except during the period of the wars a ceasefire and a mutual withdrawal. So the questions we should be asking ourselves are: can the ceasefire be prolonged to a longer period till these talks or the composite dialogue goes on and what role the US needs to play in our bilateral process? The US can play and indeed should play a role in under-writing the respect and restoration of the LoC because in my view that is the only way Pakistan will respect the LoC. The United States of America has two immediate compulsions. First is the spread of Islamic fundamentalism and second is the question of the nuclear flash point and therefore collectively, I think, the Indian military might or Indian diplomacy collectively will be unable to restore and bring respect for the LoC. I will just end by saying that this business of cross-LoC operations have been going on for fifty years. I have done three tenures from Uri to Kargil and I can only recall one incident where the Chitral Scouts came right across into our area and said, no, this is ours. So we went then to them, showed them the map and showed them the *Khukhri* and they went back. So talks at local Commanders' level have been going on for fifty years, but this pattern of intrusion over camps has never happened before. We lost our chance, the military chance of striking at the root of the infiltration in the late eighties or early nineties. We should have struck then and we

should have then taught Pakistan a lesson, but now I am afraid we have shut our bolt.

Manoj Joshi: The US policy is not static. The world is not static, means what happened between 1949 and 1992 is one phase of the world, the Cold War, etc. The US policy had been re-adjusting. I am not saying that we let down our guard. In fact, I am saying to put up your guard and re-double your guard, but at the same time there is the diplomatic front. I do not think we should ignore them and I think currently one such opportunity exists. It has been created ironically by Pakistan by its own misadventure. The Kargil operation was a brilliant operation but the point is that when it comes to an Army Commander and the Army Chief, for them it is an appalling aberration meaning such high risks to conduct a trans-LoC operation. The Pakistani Army has been extremely irresponsible, meaning no Army Chief in India would ever, ever authorise such an operation, particularly under the present circumstances and particularly because the end consequences, I think, were fairly apparent. I think, India's resolve may have been under-estimated. I do not know what the Pakistani military authorities were thinking of but it has got Pakistan into deep trouble and I think the level of opportunity that is now before us is such that we can possibly wrap the Kashmir settlement in our favour.

Mahesh Rangarajan: My question relates to the point that Manoj Joshi had pointed out in the course of justification that it will not be easy for the Pakistani leadership to settle the LoC. How far is the constraint because of the significance of the Army or the Services and recent structure of Pakistan and how far is it because

the issue of Kashmir is an emotive political one? Was it that the Army and the Defence Services are of bare significance or is it the emotive, which of this is more important and how? What is it that can persuade them other than the repulsion of these raiders to agree to such an agreement?

Manoj Joshi: Well, certainly, it is an emotive one. There has been decades of propaganda. I think we have ourselves not done adequate. We have not been able to put across to the world community the fact that Pakistan actually has no *locus standi* on the Kashmir dispute. We have not been able to put it across to the Pakistanis themselves and the Pakistanis think— *Nahin, weh to Musalmaan hain, ham bhi Musalmaan hain*—so they are supposed to come, be a part of our country. That is simply not true. So it is an emotive issue.

The strategic goal till now was to engage Pakistan in a civil dialogue, try to resolve dispute, try to get them to lower tariffs and have people to people relationship. This was a strategy which could have helped. But Pakistan has challenged the might of the Indian Army three or four times in the past fifty years. So we have to send Pakistan the message that militarily certainly you cannot do anything. Militarily it is out. Now we have defeated the Valley rebellion. Now we have got to consolidate, we are not consolidating it. The life expectancy of an infiltrator or an intruder mercenary is something like six weeks to two months. The Special Operation Group of the Kashmir Police nabs them in two months. So the situation in the Valley is pretty good. It is all right, you can put a mine somewhere, some trucks get blown up, that kind of stuff will happen. The point that I am trying to make is that in

Kashmir, things are normal. That is why you were able to send the message to Pakistan that despite all what you have done, you have not been able to make us budge in the Valley. We have actually fought the election, we have an elected Chief Minister. Now at the military level, we have to send the message.

Admiral Nayyar: I want to strongly endorse what Kalim Bahadur said that sorting out the Line of Control or Kargil is not going to sort out the problem of Kashmir. The nature of the Indo-Pakistan problem has, really speaking, very little to do with Kashmir. It is in the nature of the Pakistan State. They utilise the confrontation with us for providing them a national identity, this problem is going to persist and we have to be militarily prepared because unfortunately, that is the only thing which they understand.

K.S. Bajpai: I would also like to endorse completely what Kalim Bahadur said, it is not over Kashmir alone, it is a conflict of two nationhoods and it is our basic nationhood that has to be safeguarded here. That is ultimately a matter of putting our own house in order. We have to learn to cope with the role of power in international relations. I simply do not understand this debate that I hear about keeping international intervention out. What world are we living in? Do you think that by our shouting against this we are going to stop it? In any case what is the alternative? It is perfectly logical for us to say all right you keep out, we will sort this out with Pakistan. But are we in a position to do it? But unless we are in a position to do it ourselves, what alternative we have than for doing it through the international diplomacy.

Of course, the immediate problem is to get them to withdraw, but the ultimate problem is to make them realise that they cannot get their objectives in Kashmir; that India will survive as the kind of State that it is. But insofar as the present crisis is concerned, it also means putting forward an international position which is viable and which can get international support.

So there is a line of approach and that has to be projected to the international community to get them to tell Pakistan that if you are to solve this problem, then you have to follow the very wise advice so surprisingly put forward by Mrs. Bhutto herself, namely, 'you leave Kashmir until the last and you work on a development of bilateral cooperation which will make a relationship in which Kashmir is not the only issue whereas there are other interests that can be served and where possibly the solutions that are unthinkable today, become thinkable'. Now it won't work, we all know it will not, but in terms of our international diplomacy, I think, that is the only line for us to take.

Manoj Joshi: We are aware of the nature of the crisis in Pakistan and that there seems to be no one in control. Now we are aware of the fact that the lack of public education in Pakistan leaves people to the *madrassas*, the *madrassas* lead people to the *Jehadis*, who have declared a holy war on India. But despite our efforts to engage them, in spite of the efforts of the IMF and the World Bank, we have a situation of a deteriorating social and political fabric in Pakistan.

Now the question I want to ask Kalim Bahadur is, what kind of consequences would arise from this failed State,

meaning politically failed State and a socially failed State? Do we see more of the same or is it possible that at some point in time, there is a realisation in Pakistan that their fifty years' strategy to bolster themselves to be in parity with India just does not work. Pakistan has to learn what is Pakistan.

Kalim Bahadur: The concept of the failed State does not mean that the State will wither away. So the State will be there. The Pakistani establishment means the military, the bureaucracy and the ruling class in Pakistan and their control is weakened, but they are still in control. The concept of failed State is a State which is expected to perform but is unable to perform. There are contradictions, conflicts, class conflicts, ethnic conflicts which may ultimately lead to a situation and the crisis may deepen to an extent where it may reach the brink of collapse.

Manoj Joshi: That is what I want to know. What will happen? What if Pakistan becomes a Somalia?

Kalim Bahadur: Probably the various provinces may try to break out of the State; there is already a nascent freedom movement in Baltistan. There is already a very strong Pakhtoon government in Afghanistan—it will always mean a recurrence or renewal of the demand for Pakhtoonistan. Pakhtoonistan means the Pakhtoos on this side of the Durand Line may want to join with Afghanistan and similarly in Sindh, the Mujahir and Sindhi conflict may also reach a violent state. There will be an economic collapse, there will be refugees coming. There will be violence taking place. This is what is going to happen.

Then my statement is, that will also be a situation of crisis for us because if such a crisis is there on our border and neighbourhood, it will create problems for India. We will have to be prepared for that.

Bimal Prasad: I want to come back to the reality. I do not want the LoC to become the international boundary because this is not the stage. I think K.S. Bajpai rightly summed up what is the stage, where we are and what type of diplomacy we have to play. Our starting point must be in these discussions, we will settle the problem and we are prepared for any stage. Benazir Bhutto herself has mentioned the stages. All right we are ready, but legally what is ours we must get back. We must get the whole of Kashmir. That can be one fair term of settlement. If you start from there, then you may come to the LoC after six months of protracted negotiations.

Ved Pratap Vaidik: I differ slightly from the existing trend of the discussion and therefore I seek your kind indulgence in the matter. I would like to mention that about two years back in February when Nawaz Sharif had won by three-fourth majority and became the Prime Minister of Pakistan not even a single candidate, at all the places I went, mentioned a word about Kashmir. Kashmir was totally a non-issue. A day before the elections, Nawaz Sharif made a statement over the Kashmir issue stating "Kashmir or no Kashmir, I will improve my relations with India. I will review my Afghan Policy." His advisers who were present at that moment commented that *Miya Saheb Apki Lutiya Doob Jayegi* (Miya Saheb you will be ruined). At this he said that "I have already committed now and if Allah permits I shall

create a new history.” I don’t think that the Lahore Declaration was something unexpected. I request all of you, who have known Pakistan from the time of her birth, who understand Pakistan and those of you who have been/lived there for years, I request you all and through them the Indian Government to kindly re-examine the situation.

What’s going to happen within next few days? Whether whole Pakistan is willing to sacrifice for Kashmir? I feel except for Kazi Hussain and his people and Toaba and some other similar organisations the inclination of Pakistan is totally different.

Kargil has become a burning issue and Admiral Nayyar was right when he said that punishment should be inflicted and it is also correct to say that they should be taught a lesson so that this kind of impertinence is not repeated. But I feel that this kind of attitude will result in an aberration in Indo-Pakistan relations and we have to watch this aberration.

Crossing the Line of Control issue is so often repeated and frequently discussed and I request that this issue should be dropped now. But at the same time as Bimal Prasad has stated, we should not compromise on LoC. We have to be aggressive on this full Kashmir issue which is legal and we have to do what is legally right.

Nothing has to be done now. Just think of the implications of this Kargil issue, its implications on the Pakistan establishment, politicians, society, its implications on intellectuals and journalists. We don’t have to cross the LoC, they are already leading towards the suicidal path. Next five or six years are going to witness serious implications and we might have to change

the major premise and re-think whether we want a united Pakistan or not?

Pakistan, itself has chosen the path to meet the fatal end. At this stage what role have we to acquire? Have we to play an active role, or have we to witness silently or have we to play some other role keeping in view that it is supported by a major power? We have to consider this for the future.

Admiral Nayyar: Let me reflect on the economic issues, as Sanjaya Baru pointed out, the strangulation of funds for the Armed Forces from 1989 onwards to 1999 left the Services in a pretty bad state and it can be argued that Kargil is a result of that strangulation because it did not require any cloak and dagger operation for Pakistan to know that the Indian Armed Forces are pretty weak at that stage and that a very powerful response immediately may not be forthcoming. In 1999, I was a Member of the Arun Singh Committee and after a year long study we had come to the conclusion that to sustain the existing military structure of the country (of course, we did not say that it is required to be maintained), the level would require 4% of the GDP and if rather than at 3.9 or whatever percentage it was there it has been brought down to 2.3% now. You can see as to how short the Services have been of funds which means that we have not had any chance to modernise equipment, etc.

Now recently I have been involved in carrying out a study for the Eleventh Finance Commission for the requirement of funds for the period 2000-2005 and the preliminary studies indicate that about 3% of GDP would suffice if we would undertake a 10-15 year recovery

programme. Of course, the shortages which have been developed for over the years could not be done away in a year's time. If there is a chance of the Kargil conflict ending in the next 4-6 weeks, the additional burden is going to be Rs.7-8 thousand crores. Should it continue longer and one can argue that there is a case that we should be prepared for that, the costs are going to be substantially higher and we should talk of 5-6 billion dollars, which is absorbable in my view. It is not something which we should be frightened of, but I think that is the sort of figure which we should keep in mind. Until and unless we impose a cost on Pakistan and they are the weakest in the economic sector, as Sanjaya has pointed out, the greater preparation and a challenge which the Pakistanis will immediately see, they will not be asleep when we buy 200,000 snow boots, as we were found wanting, they will have to match and that will break their economic back surely. So I reckon that we should be prepared for that. I must immediately comment on two totally erroneous perceptions which are propagated on the Indian scene—one is that the international community will not let us fight for fifteen days. This is the Pakistani side. This is the argument which a smaller power always puts because it can only fight for that long. No one prevented the West from a barbarous bombing of Kosovo for endless number of weeks. So it is a fear which we have got in our mind that we must finish in 15 days because if you continue on the 16th, 17th and the 18th day, no one is going to come marching in and say hands off brothers. Second thing which is said is that the nature of warfare has changed because both sides are nuclear-powered. Please remember for the first time in their long history, the Americans

suffered a defeat in Vietnam at the hands of a non-nuclear power. It is an irrelevant fear as far as we are concerned.

V.C. Bhutani: A question which has not been much mentioned except very obliquely, but which is not wholly unconnected with what we are discussing today, is the nuclear question. When India went nuclear a year ago, we were assured that it was going to be economically disastrous for India. When Pakistan followed, it was said that it was going to be even more disastrous for Pakistan. I have during the last one year not seen a study of the economic consequences either of going nuclear of both India and Pakistan or of the sanctions which were imposed upon by them.

Sanjaya Baru: We have enough evidence about the impact of both our countries going nuclear on our respective economies. That is what the charts put up have shown. The second column for the year 1998 and 1998-2000 very clearly shows that it has not hurt us. In any way, our GDP growth is up this year compared to last year, reserves have been stable, industrial production has not picked up as much as was hoped for but there is recovery in industrial economy. Inflation is still very down, current account deficit is very low. I think the overall micro-economic indicators do not suggest that there has been a turn for the worse for India between May 1998 and today. On the other hand, all micro-economic indicators with the exception of agricultural production for Pakistan have turned negative.

Now, obviously the economic impact of going nuclear was virtually zero because we have effected this in over a long period of time. So, I do not think there has been any net impact of that in this financial year.

We had a very stimulating lecture by Fred Burgston in New Delhi a couple of months back at the International Institute of Economics, where he gave an overall estimate of the sanctions imposed by all countries, not just the US, but all countries, which include Japan—on the Indian economy it was 500 million dollars. Our GDP is around 400 billion dollars.

J.N. Dixit: The comparative presentation of the state of Indian and Pakistan economies is perhaps a source of some optimism. But my question is very simple: when the chips are really down, will the Western democracies give up their strategic perceptions about the importance of Pakistan? Will there be some stage where the West will say, well Pakistan is not a case worth being interested in or when they are really on the decline, strategic instincts will come to the fore and Pakistan will be sustained?

Sanjaya Baru: I will say one thing that the ability of the Western governments as governments to help countries economically has actually been going down over the years simply because in the international economic system today, as a consequence of globalisation of the world economy and the emergence of multi-nationals, there is an increase in private capital flows in proportion to total capital flow. It is the players in the market who determine the flow of capital and the volume of trade and investment and governments do not determine these, and it is precisely where the response of market analysts to IMF saying what you are doing in Pakistan becomes relevant. The quote I have given in my paper is from a market player, the Credit Lyonnaise Securities Asia Ltd. which is in fact, attacking the IMF saying what they are doing in Pakistan does not make economic sense. The market has already put Pakistan

on a negative list, it is not even on the watch list. The two countries with the lowest credit rating in the world economy today are Russia and Pakistan. Neither of them is getting any help from the market. The point that I am making is that private capital flows are hundred times more today in the world than official aid or multi-lateral flows. What the IMF gives today is peanuts compared to what the big multi-nationals can give and, therefore, I agree that the US and the G-7 will force multilateral institutions to go on backing Pakistan. However, the ability of multilateral institutions to bail out economies is marginal. You look at the Mexican crisis, you look at the Thai crisis, you look at the Brazilian crisis. All of them had to be bailed out with varieties of packages involving private players and the private players are saying that Pakistan is a No, No, for us. This is an economy that is going downhill, we are not going to put our money into it.

Of course, the US will not abandon Pakistan. What does it mean? I think the policy implication for us, which is what I developed in the last section, is that we must be focussing on getting private capital flows into this country because our rating is far superior to Pakistan and rather than scaring them away with all kinds of negative slogans and policies, we should in fact be drawing in those reserves so that they then become the actors who put pressure on their governments in order to make sure that they follow policies which are more India friendly.

C.P. Bhambri: Arising out of the comments made by Ambassador Bajpai, what lessons are to be learnt? The lesson which was predominant in our mind was that India is not interested in a weak, conflict-ridden, divided, poor

Pakistan. Are we interested in a disintegrating society in the neighbourhood? Indian policy makers have to make up their mind, what kind of Pakistani society they would like to see?

The implications are not only economic. The implications of war are social, psychological and economic and there what we are maintaining is that our economy can withstand it and Pakistani economy cannot. They are in difficulties and we should approach the Western nations. So the question is: are you stating that Western market decisions when they come to a crunch are autonomous of Western State interests? Leave aside the IMF and the World Bank, is there any instance where crucial Western market decisions have been contrary to the interest of the Western State systems? So if the interests of the Western State systems are against India, all this claim will have no foundation.

Sanjaya Baru: I am not sure that the interests of Western States are contrary to that of India. I am not sure, but I will not get into that question. But let me just say two things. First, it is in India's interest that you have a stable, economically prosperous and a happy Pakistan. No country can live happily if the neighbour is unhappy. I have myself written advocating more trade, SAFTA, SAPTA within South Asia that you have open trade, etc.

But in the middle of a conflict when your soldiers are dying on the border, I do not see any reason why we should go out of our way to help them economically. We can participate in all kinds of coalitions of cooperation in the World Trade Organisation or IMF or the World Bank or wherever in SAARC, etc. in normal peace time. But I do

not see any reason why today if we have an opportunity on the economic side to make it more difficult for them to fight us, let us use the opportunity. If they are going to the IMF and borrowing money and we have a say in the functioning of the IMF, let us say what we need to say in the IMF. Or we find out how the Pakistani government is spending the money it is taking from the IMF. Somebody made a point the other day that we should not do that because tomorrow if we go to the IMF, the same questions will be asked of us. Of course, they will be asked. Merely because we do not ask Pakistan those questions, does not mean that we would not be asked those questions. From 1991, why did our Defence GDP ratio started coming down? Quite clearly one very important factor was that in 1991, we went to the IMF. We were under the Fund Programme for two years and one of the implicate conditionalities in that programme was reduction in the Defence GDP ratio. We conformed to that and the most important policy advice anyone can give to the Indian Government is, do not go to the IMF. If we can help it do not go to them, but if you are in a crisis and you need to go to them. Well there are consequences and those consequences you will not escape merely because you are helping Pakistan escape those consequences today. Squeeze them when you need to squeeze them. After all your soldiers are dying in a battle.

Meena Radhakrishna: Sanjaya Baru mentioned that we were wanting to spend on our defence in keeping with global trends and about the absorbing capacity of our economy. I want to know what exactly these global trends are that you are talking about. Are these developing countries, since we are also competing in this, trying to

keep up with some global trends? I just wanted your criteria for these trends which have been set globally with which we are trying to keep up and also the sources that you mentioned are almost American—why is that? Are there no studies available on these kinds of figures here or that you have just referred to them?

Sanjaya Baru: My sources are not all American. This is UNDP's *Human Development Report* and the person who authored this Report was Dr. Mahbub ul Haq, the then Pakistan Finance Minister. When I say global trends, they are there. The world average defence spending as a percentage of GDP is 4% in 1988 and 2.4 in 1996; for industrial countries as a whole 3.6% in 1988, 2.3% in 1996, for US 6.5% in 1988, 3.8% in 1996, Germany 2.0% in 1988, 1.7% in 1996. Japan of course is the lowest and for India it is 3.4% in 1988 and 2.5% in 1996. If you take all developing countries, the figure from my mental recollection is that in 1988 it was around 5% and in 1996 it has come down to around 3.5% or so. So we are following that trend of decline. As I said, even in China and Pakistan there is a decline. In the last ten years all over the world with the exception of one or two countries there has been a general decline, but our decline is in line with global level. The world average is 2.4, we are 2.5 while China is 3.9 and Pakistan is 5.3.

General V.R. Raghavan (Chairperson for the afternoon session): Let me start by sharing a small anecdote from Kargil. When I was the Commandant General there one of the favourite sports of the Kargilese is archery and on one occasion, the archery game was going on and everybody was shooting long arrows at distant targets and

I was also asked to go and shoot some arrows. The Divisional Commissioner Sahib was asked: *Ki Sahib aap bhi teer chalaayiye kuchh* (Sir, you also shoot some arrows). And he was a wonderful person, a gentle person who reflected, I think, the sentiments of the Kargilese beautifully, when he said *ham teer chalana nahin jaante, ham teer khana, jhelna chaahte hain aur jaante hain, Aur Kargil waale to hamesha dushman ke fire ke neeche rahte hain, teer chalana kaunsi badi baat hai* (we do not know how to shoot arrows, we want to face the arrows and we know Kargil people always stay under the threat of enemies; to shoot an arrow is not a big deal). And that is Kargil. We should never under-estimate those superb people there. Sir, that is the kind of people who are living there and for whose sake we are fighting.

Allow me, Dr. Kejariwal to compliment you on this fine structuring of the Seminar. We will be looking at three issues this afternoon. Mr. Subrahmanyam, the doyen among the strategic thinkers and the Chairman of the National Security Advisory Board, is going to make his presentation on the nuclearisation of the subcontinent and the changing defence scenario. It is a very significant issue, particularly because for the first time in the history of nuclear weapons development, there are two States, India and Pakistan, who are now direct neighbours, and therefore Kargil cannot but be looked under the nuclear dimension which is always there like a shadow in the background.

General Afsir Karim will make a presentation on the strategic aspect of Kargil conflict and Shri J.N. Dixit who needs no introduction will talk on the management of foreign relations.

Jagat S. Mehta: I would like to comment on the analysis of the elements of foreign policy made by J.N. Dixit. I would like to add something more or perhaps define in what way the foreign policy making now at the end of the 20th century becomes different from what it was in earlier centuries or earlier times. And that brings me really to the question what is the definition of power. As I see it in the last fifty years in the post-war world, the definition of power held by the international community originally was purely or largely based on military power. Today it is a mix of economic power of human security as Sanjaya Baru pointed out as well as the capacity to defend.

The imperial world there was an international democracy where there were a large number of States and although those States did not have the same measure of power, they were much aware of their capacity. Now there is a capacity of defiance much stronger than what it was before. You take Vietnam. It is a different kind of power or you see in our own examples. So this changes the nature of foreign policy in the 20th century. The diplomacy, I agree entirely, diplomacy as I have defined it is the craft of anticipating the misperceptions of sovereign patterns. And then negotiating with them to find a basis for compromise. In some ways nuclear weapons have made things easier as well as more difficult. And this shows the limitations in our subcontinent. There was a time when one read if there is any place where there can be a nuclear war, it will be South Asia. People still feel and there are people who say that we must punish them. But you cannot punish them. Now it may still be the symbol of power; it may still be the capacity of being able to prevent the accidental or bad use of power. But it

is very different from other kinds of weapons in earlier times.

What I feel is that we have got mindsets for the last fifty years. We are surprised today that the Americans did not support Pakistan. We are surprised that they are more sympathetic to India. There are reasons for it, but it is part of the long-term consequences of the end of the Cold War. For them last year, they were worried about whether or not Pakistan and India will sort of have a nuclear exchange. But today, there is no doubt that the apprehensions of the growth of fundamentalism is a much more lively concern. They do not have an enemy, but this is the kind of enemy which they say. But I think we should remember that in some ways Kargil can be traced back to the Soviet invasion of Afghanistan. It is there the alienation of Afghan nationalism began. The Americans were feeding the Mujahids, militarising Pakistan and later on when certainly Soviet Union withdrew and Americans withdrew and they realised that it is all a mistake. One of the biggest mistakes in my experience of American analysis which unfortunately influenced everybody in the world was their analysis of Soviet intentions in Afghanistan.

The entire intellectual community was convinced that the Soviet Union could not be just going to Afghanistan but they are bound to go for the oil in the Gulf and I have been constantly saying that it is not the case. But this militarisation of Pakistan started with that and earlier Pakistan was losing interest in Kashmir. But when this was over and all these army chaps and the arms came back, then they turned them right; then they turned them into Kashmir. So we have to remember that the changed

mindsets are impediments if you do not keep up with the changes in the world.

Shri Prakash: One of the points that I want to make is the inter-connection between the Afghan crisis and its after effects and the expectations we should have about continued militancy and instability in Kashmir. I think that the media in particular has too early decided that Kargil is virtually over. I think that is a misplaced optimism because there are literally thousands of Mujahids who are sitting around in Pakistan, who have nothing to do, no jobs to be given to them for years to come.

Secondly, there are about 3.5 million Afghan refugees, who have not gone back to Afghanistan after the civil war in Afghanistan is over. So how can you have more refugees in Afghanistan? Now these pressures internally for Pakistan are going to continue and also I think in our interpretation of the so-called US support for India, we should realise that the statement that has been made by President Clinton and Nawaz Sharif is equally addressed to the US Congress. Two days or a day before this statement was made, there was a US Congressional Committee which came up and said that they should delay IMF loans to Pakistan. Now here is a statement which promises good behaviour on the part of Pakistan which President Clinton can show, not just to India but also to the US Congress to say, now look we are delaying IMF loans to Pakistan; but they have not been delayed. Pakistan access to IMF loans has not been denied and so far one has not seen any Western country or the US taking this concrete action. Statements might be there, but statements

are statements and neither military supply nor the funds have been denied to Pakistan. More so, the approach of the Organisation of Islamic Countries is not entirely neutral. People like Osama Bin Laden collect money. They go to Islamic organisations, parties and forces for money. And they get it on a large scale and that is how the so-called Mujahideen are probably equally, if not better, equipped than some of the Pakistani regular troops in terms of the quality of the equipment that they possess.

I think all these factors mean that pressure, if it eases in Kargil, can build up in Rajouri or Poonch tomorrow. Similar things can be attempted, I mean, Pakistan has promised to observe the LoC in Kargil. It can breach it in other places. So, I think that firm military defence on the Indian side is really the responsibility of the Indian authorities and the Indian people. The military factor will continue to be equally, in fact, the foremost factor upon which you can build your diplomacy and in that context I think, the nuclear deterrents provide Pakistan with encouragement as well for continuing with this low key insurgency and warfare and so on. With the addition of the Afghan factor we have to demonstrate to Pakistan that we have really built up an effective military defence against their kind of military strategy that they had been following and that will not fetch any return on the ground and it will not fetch any return internationally in diplomatic terms. Then we can expect Pakistan, perhaps, to revise its opinion about their strategy, but I think it will take time, it will require real deterrent action on our part.

Matin Zuberi: The support we have been getting is specific with regard to Kargil crisis and we may expect tutorials in the near future. I think Gen. Afsir Karim has

emphasised one point which is the Talibanisation of the Pakistani society and all lower levels of Pakistan armed forces which have serious implications so far as our security is concerned. But I wanted to highlight the peculiar nuclear paradox with regard to Pakistan's nuclearisation. If we look at the nuclearisation of the five nuclear weapon powers, we will find that none of them had any territorial disputes when they started their nuclear programmes. There was a dispute between the Soviet Union and China which came later on, their nuclear programme was not geared to any territorial claims.

Pakistan's nuclear programme is unique in that sense that it was geared to territorial claim of Kashmir; to achieve Kashmir they went nuclear. But here is the paradox. Once they have done it, they cannot use it because the status quo cannot be changed with the help of nuclear weapons, that has been shown in the history of the Cold War. The territorial boundaries of the Cold War was determined by the end of the Second World War and no territorial changes occurred through the use of nuclear weapons. So the Pakistanis will eventually find that their nuclearisation would not achieve the objective for which it was started. This will take time because if we look at the history of nuclear weapon powers, we will find that there is a nuclear learning process in the case of each country. At one stage you think you have become very powerful and you can use it and so on, but gradually you realise that it is not a military weapon, as Subrahmanyam has rightly pointed out, that it is a political weapon and it can be used only for political purposes. So to a certain extent, Pakistan will continue to use it in terms of military

operations and to that extent the use of nuclear weapon will continue.

Gen. Ashok Mehta: My comment relates to the limitation not only to the application of power, but limitation to the deterrence both of conventional and nuclear power or nuclear capacity. I think, whatever else one might say about Pakistani military brashness or stupidity in causing grievous damage politically and internationally, purely on military terms they have devised for themselves a very useful strategy that they call the proxy war in Kashmir. During the last ten years we have not evolved any military response. So, I think, we have to make broad distinction between what Pakistan is doing militarily at one level and what it has in mind as far as the Kargil campaign is concerned.

My second comment is with regard to the point that was made here about having an effective military defence. I am sorry it is extremely difficult to have an effective military defence across the 740 kms. of LoC, specially when the origin or the so-called origin is within the Valley or in Jammu or elsewhere, Ladakh apart. So we have to accept even if you have barbed wire in the 740 kms. area and there is a lot of talk about sensors and radars, we have to remember that every technological equipment requires to be backed up by human beings.

My third very brief comment is with regard to the IMF. One of the reasons why Pakistan has been caught now by the Americans is that they have exceeded their stipulated extent by 11% and so finger is being pointed at them. Gen. Afsir Karim spoke about the strategic importance of Ladakh and gave us a very detailed analysis. But what was the politico-military objective of this operation? And

you talked of a grand plan and what was in the minds of the Pakistani military. Now let me say a few words on the perception of India's threshold of tolerance advocated by K. Subrahmanyam. We have not done anything. We are only reacting. It is inter-related with what was Pakistan's perception of India's graduated response and accompanying thresholds of tolerance.

K. Subrahmanyam: Let me take up this issue of nuclear weapons. Yes, Matin Zuberi is right, nuclear weapons—usually possession of nuclear weapons should solidify the status quo, but the Pakistanis when they started the weapons programme also had something else in mind. General Raghavan quoted Republican Party's report of 1995—I go back to March, 1980. A paper written by Stephen Cohen for the Asian Studies Conference in Washington in which, after meeting the Pakistani Generals in 1979, he recorded about his conversations with Pakistanis. He asked them: "why do you want to go nuclear? What will nuclear weapons get for you?" The Pakistani Generals told him that nuclear capability for Pakistan would not only deter a presumed Indian nuclear capability, but it would also give an opportunity for Pakistan to revive the Kashmir issue. They argued that it would not only incapacitate the Indian will to use nuclear weapons, but also the Indian will to use their conventional forces and at a time when the Indian leadership was weak and indecisive, a bold brash move by Pakistan would get it Kashmir. So they had two conditions in mind: The nuclear capability of Pakistan would deter both sides from using nuclear weapons and also by using nuclear threat, they would be able to revive the Kashmir issue. They have not yet been able to achieve that.

This approach is all linked up not merely to the territorial issue but their perception that the Indian leadership is weak and indecisive some time or the other and the Indians can be made to discuss Kashmir. Therefore, in this perception the nuclear weapons became a key to them. If they had only applied nuclear deterrence in the way in which it is being applied elsewhere in the world, if they had thought that they are dealing with Frenchmen or Germans or Russians or anybody else they would have known that both sides possessing nuclear weapons will only freeze the status quo. But they have such a contempt for the Indian leadership and that is what made them go in for 1947 and 1965 adventures. For all I know, it may just be a coincidence that all these things are happening at a time when we are going for elections.

Perhaps they expected, the government in Delhi would not be decisive, would not act. In 1965, they acted when they felt that Lal Bahadur Shastri was a weak man. In 1971 they struck when we had just finished the elections and a new government was coming in and they built up the three Divisions in East Bengal as we were going in for elections between January and March that year. Therefore, there is a pattern in their behaviour. It is not only a question of their having nuclear weapons and nuclear deterrents operating, but also a certain mindset of the Pakistani leadership and these factors underline their adventurist behaviour.

Issues were raised on the Islamic Bomb project of Zulfikar Ali Bhutto. Well I quoted the Pakistani Generals in 1979. Bhutto who actually started the project even in the sixties had different views about the Pakistani bomb. His views were civilisational. He wanted to make Pakistan

the leading Islamic State and that is why he wrote: "The Hindus have it, the Christians have it, the Jews have it, the Communists have it, why not Islam?" So Bhutto's attitude towards the bomb was much wider than Pakistani Generals' views about the bomb. Bhutto thought about it in a very grand way. He was thinking in terms of making Pakistan the leader of the Islamic world in the aftermath of the Islamic Conference in Lahore. He said that among the Islamic countries, Pakistan alone had the brain power to do it. Therefore, we must make a distinction between the way Bhutto looked at it and the way in which subsequently the Generals looked at it.

Coming to Gen. Ashok Mehta's question, yes, deterrents always has limitations. I do not think at any point of time deterrents were without limitations. And in this particular case, the fact that proxy war was going on should not in any way surprise us. Do people know that dozens of American aircraft were shot down during the Cold War trying to fly over the Soviet Union and around the Soviet Union? There was a proxy war going on also at that time, lots of people have been killed during the Cold War in various operations between the two Super Powers as well as in the rest of the world whenever they confronted each other. And therefore, the nuclear deterrents deter certain types of things. Nuclear weapons deter nuclear weapons.

Secondly, nuclear weapons deter a high intensity conventional war between two similarly armed States. I agree that the Pakistanis' choice of proxy war was rational, we have to give them the credit of having been the first in proxy wars because they started it with Gen. Akbar Khan's

‘Operation Gulmarg’ in 1947. Therefore, the proxy war is not something new and the Pakistanis have done many times against us.

Pakistan has accepted that there are thresholds of tolerance, but I have not been able to get from them what they think is the threshold for tolerance. In this particular case, they were not thinking that they will be able to come down and seize Srinagar. I am quite sure if they had thought about it, they would have considered that as one of the thresholds for the Indian tolerance. Most probably, their idea was to create both an internal situation within the Kashmir Valley plus this external on the border which will finally make the rest of the world sit up and take notice and bring Kashmir issue back to the Security Council. That was perhaps their aim and on this particular venture they did not perhaps think that the Indian tolerance would be breached in doing this operation.

J.N. Dixit: One or two points: first about Afghanistan being the mistake because of which things are happening in Kashmir. I have a counter question, a very simple question. Suppose we had supported the American-Pakistani stand to support those elements, which are opposing the Afghan Revolution?.

A Participant: Non-aligned.

J.N. Dixit: Nobody was non-aligned; it is a cosmetic situation.

A Participant: 20 countries voted.

J.N. Dixit: They voted in the UN in support of the intervention. Those very 111 countries voted against us on the Bangladesh. I have no illusions about non-

alignment, but let me ask this question and here, knowing a little bit of the details of the Afghan Revolution is important. Daud replaced the King. The cousin of the King replaced the King in 1973. He replaced him with the support of the rising Left of the Center and the middle class, especially the military officers of the Afghan Army, who were trained in Germany and the Soviet Union. He promised them certain reforms, certain modernisation. Let me reduce it to stark terms of how backward Afghanistan was. There was no permission for women to be educated; there was no modern public utility services in any city except the elite areas of Kabul city. I am talking of 1973-74. These things did not happen. I am bringing you to the point where I have certain differences. Daud did not fulfil the promises. So the Great Saar Revolution took place, the so-called Saar Revolution led by PDPA, which has two distinct factions, the Parcham and the Khalk, the Pakhtoon and the non-Pakhtoon groups. Thkat Revolution was not against the West. It was certainly supported by the Soviet Union and this is where the Government made a mistake. Till Daud's time slightly north of the Valley of the Helmand, the northern areas were allowed to be areas of Soviet economic influence and south of it was allowed to the Western influence. Daud shifted that line and brought it down which upset the Americans and the others knew it because he was coming nearer the Gulf with Soviet assistance, but then Taraki who did the Revolution against Daud with the help of the army was killed by Amin. Amin in the beginning kept to the ideology of the Revolution. But he started hobnobbing with the West. He started discarding his own allies within his own party. He was about to sign certain agreements which made his own party's Left of Centre chaps panic

and they tried to kill him. They did not succeed in the initial stages. Taraki was killed and then Amin was killed with Soviet help. And at that point of time, the Pakistani intervention had reached a level where the Soviets thought they should intervene. Now in moral terms, we should not have got involved. I quite agree, but in 1980 we were not in a very decent equation with Pakistan. We still were dependent for 75% of our defense supplies on the Soviet Union. So, to frontally attack them and say no, what you have done is wrong, etc. would not have worked. India never endorsed the Soviet intervention in Afghanistan, let me categorically assert it. I still remember the end of a conversation of Mrs. Indira Gandhi with Mr. Gromyko on the 3rd or 4th February, 1980. Mr. Gromyko said, "Madam, I hope you have listened to what I have said with great attention and I hope you have understood it."

Mrs. Gandhi's one sentence response was pregnant with politics. She said, I have listened to you with great attention. She did not say 'I have understood'. And please remember that Narasimha Rao, then the Foreign Minister, was specially sent in June 1980 to argue against the Soviet intervention in Afghanistan. He spent a week telling the Soviets not to do it.

Jagat S. Mehta: We will talk about this separately, but from the 1978-80 period or end of 1979, I think, I know better because I was the first person to go to Kabul after the Saar Revolution and some of your facts, I will tell you, are wrong, but I do not think everybody would be interested in this.

K. Subrahmanyam: Only one point in this Jagat. There is a book by Robert Gates, former Director, CIA and

earlier Deputy Secretary of the National Security. He has written that in 1979, the plan between the US and Pakistan to intervene in Afghanistan were finalised and that Pakistan started operating in Afghanistan from 1979 June.

Ved Marwah: I think, Gen. Afsir Karim made a very important point that Kargil incursion has to be seen in the context of Pakistan's ambitions in Jammu and Kashmir and the new Taliban movement in this direction. But the point which perhaps has not been discussed is how Pakistan and the Taliban movement want to achieve this end. Of course, the military initiative, the foreign policy all that are there and the link between military and the foreign policy again is there, but the point which has not been made, is our internal handling in the State of Jammu and Kashmir, which has created a lot of these problems. Subrahmanyam mentioned the point that it is not a coincidence that each time Pakistan attacks India, in their perception the Indian leadership at that particular time was weak. They also did that when in their perception, they felt that we have best of the situation inside the State. Take for example, Kargil—now Kargil was a part of Ladakh and there were very good relations between the Buddhist population and the Shia population—what did we do? And nobody objected to that. In 1979, the Ladakh district was divided into a separate Kargil district and Shia Muslim majority was created artificially. And all that politics started there for the first time, the relations between the Buddhists and the Shia Muslims became so bad that during the early nineties there was a social boycott of the Shia Muslims by the Buddhists. They were not even on speaking terms. There was absolutely no interaction between the two

communities and the hostilities were so strong that they disagreed with everything and for the first time riots and explosions took place in Leh.

Now this is what we have done. The same thing we did in Rajouri and Poonch. When insurgency started in 1989 in the State, there was no terrorist incident in this particular area. How is it that the situation has undergone a complete change. Again, the way this autonomy thing has been handled, the politics in the State has been played around and all national parties have played the communal card. They have divided various groups for building their own power structure, there are these Gujjars, there are these Bakarwals, there are these Poonchies and each one is being played against everyone.

I am bringing all these points only to underline the fact that the problem of security of this Kargil incursion, which we are facing has various dimensions and our foreign policy, our political policy, our security policies have to take into consideration all these factors. Because otherwise it is not pure and simple dealing with the Kargil incursion. We are going to have ultimately a problem in Rajouri, day after in Poonch, then it is going to be in Valley and as it is the level of militancy will keep on going up and we will be running from one place to another. The cost of dealing with them, both in terms of human cost as well as in financial cost is going to be huge and huge. Unless we look at the entire problem in an integrated fashion, we are in for a very, very serious problem.

General Sethna: The question is of just not Kargil, but what do we do thereafter and I would like to point to the case of Skardu in 1948, when we gave up Skardu.

We could not send our troops there as we could do in Ladakh and Leh. Subrahmanyam has emphasised that India has to have a strategic culture, but is this not possibly a time when we could start?

K. Subrahmanyam: Let me start from 1948-49. The reason why the Indian Armed Forces were stopped at the CFL—nobody mentions it—was because of Sheikh Abdullah. Sheikh Abdullah was a leader of the Kashmir Valley. Sheikh Abdullah did not command a following or influence in Gilgit, in Baltistan, in Pakistan Occupied Kashmir, and other areas and in those areas the Muslim Conference had more following than Sheikh Abdullah's National Conference. Therefore, he told Jawaharlal Nehru, we have secured the Kashmir Valley and Kashmiris and Jammu in any way will be with India and Ladakh will be with India. Therefore, this becomes a logical division. If you read Josef Korbel's book - Mr. Korbel was Madeleine Albright's father; he has recorded a conversation with Sheikh Abdullah in October 1948 in Srinagar in which Sheikh Abdullah told him that the solution of the Kashmir problem was the division of the State of Kashmir. I am not talking about division of the Kashmir Valley, but division of the State of Kashmir. It was a political decision which was influenced by Sheikh Abdullah saying Kashmir, Kashmiris are different from the other people and he was only interested in securing Kashmir.

Therefore, at that time it is not the Indian military capability of taking those areas which determined the CFL. It was a clear political decision that this division, this line was a very rational, ethnic dividing line.

Abdul Qayum Khan, who was interviewed on the BBC as a Kashmiri, could not speak a word of Kashmiri. People do not realise that Kashmir was like Hyderabad. Hyderabad has broken up into Andhra, Kannada and Maharashtrian areas and similarly Kashmir is ethnically already divided in a very rational way and all that the Pakistanis are doing is trying to grab that Kashmir Valley.

There are no Kashmiri speaking people in the Pakistan occupied portion. There are no ethnic bonds between the Kashmiris and the Punjabis. The ordinary man in Pakistan is not interested in Kashmiri rights. It is purely a question which arises from the two-nation theory.

Talibanisation of Pakistan is a contradiction in terms. Pakistan is itself the originator of the Talibanisation. It was started by the Pakistanis. Nazrulla Babar organised the Talibans and therefore, it is actually fundamentalisation and extremisation of the Pakistani politics. The Americans are worried about this. That is the change that has come about. It has got nothing to do with us. And we have to take note of the fact that the Americans are taking note of that particular phenomenon as it poses threats to various parts of this region, not only to India but to everybody else. The Iranians do not like it; the Tajiks do not like it; the Uzbeks do not like it. Therefore, Pakistan is getting isolated because of its two-nation theory and because of its own extremism.

I have been watching 1948, 1962, 1965 and 1971 and there has never been such an upsurge of feeling in the country as you see today, thanks to television. Our soldiers were fighting in Kargil, but the information war had to be fought by Delhi. It has been totally neglected. For

instance we had Pakistani soldiers killed in those areas; we have got the bodies. The Pakistanis did not want to bury the bodies because they did not want to say that those were their men. But those pictures should have been on the television. We should tell people in Pakistan, look we are doing you a service. Your Army is treating your men like this. They do not even acknowledge them, they do not even take their bodies. We are putting it on the TV so that if any of you can recognize and ask us, we are prepared to deliver the bodies to you at Wagah or anywhere else. That is information warfare, but then nobody here is incharge of information warfare. Therefore, there are many things which could be done, but unfortunately they were not addressed.

A Participant: May I suggest that definitely this is one of the things required from the National Security Council.

K. Subrahmanyam: Yes, I agree with you. That is exactly what is being pointed out to them.



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