

# ISAS Insights

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## **South Asian Developments: Moving Towards a Détente or Sowing the Seeds of Discord?**

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### **Abstract**

The assessment of some of the recent developments in South Asia is based on a number of conversations the author had in Pakistan during a two-week stay in Lahore and Islamabad in early February 2010. He met with a number of Pakistani politicians, senior officials – civilian and military, serving and retired – most of whom offered their views on the condition that they should not be directly quoted given the sensitive nature of the issues discussed during the conversations. The author also met with some senior diplomats, including those from the United States (US). He had discussions with some officials from the United Nations who were managing programmes in both Afghanistan and Pakistan.

The most important conclusion the author draws from these exchanges is that a degree of normalcy is returning to Pakistan's relations with Afghanistan and India. This is particularly the case with India-Pakistan relations. The two are set to resume formal discussions, although not the "composite dialogue" suspended by India following the terrorists' attacks on Mumbai on 26 November 2008. Discussions will begin in New Delhi on 25 February 2010. That said, the author argues for placing the dialogue in an entirely new framework replacing "composite" with "economic betterment" as the focus.

### **Introduction**

The prospect for a détente in South Asia has increased with New Delhi's decision to start formal discussions with Islamabad. This was a significant change of heart, motivated by the developments in Afghanistan. There has been a significant shift in the positions of most countries involved in the current Afghan conflict. The process started with US President Barack Obama's speech on 1 December 2009. Addressing the cadets at the West Point Military Academy, he announced that while he would increase the size of the American contingent in Afghanistan by 30,000, bringing the total to more than 100,000, he will start pulling out his troops beginning July 2011. During the 18-month period when the Americans will have a large military presence in Afghanistan, the strategy will be to beat back the resurgent Taliban forces from the more populated areas of the country.

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The Americans, supported by the NATO forces, will also put in a great deal of effort to build up the size of the Afghan military and police. At the same time intensive economic and social development programmes will be launched in the areas that were liberated and secured. The goal will be to win over those among the dissidents who had joined the ranks of the Taliban on the expectation that the Taliban will provide them better economic opportunities compared to those that were on offer from the government in Kabul.<sup>2</sup>

There were thus four important changes from the previous strategy, which had been pursued by the administration of President George W. Bush. The number of American and NATO troops would increase by about 40 per cent; the build-up will be for a limited period of time; the size of the Afghan forces will be built-up rapidly; and ground will be prepared for the incorporation of those amongst the Taliban, who are prepared to work with the government in Kabul, into the Afghan mainstream. This way the size of the Taliban would get depleted.

This strategy was fully endorsed by the sixty countries that met in London on 28 January 2010 in a conference called by Prime Minister Gordon Brown of Britain. Afghan President Hamid Karzai used that occasion to spell out the details of his government's programme to win over some of the elements of the Taliban force. He said that he was prepared to talk to those Taliban leaders who were willing to renounce violence and give up any association with *Al-Qaeda*. Soon after the conference ended, efforts to implement the several elements of the Obama strategy began along with efforts for winning over some of the Taliban to the side of the government. It also became clear that the Americans and their NATO allies believed that this strategy would only work if the countries in the region, especially India and Pakistan, worked on the same side. As the author has argued in an earlier ISAS publication, there was some danger that Afghanistan could become another Kashmir – an area that is the subject of contention between India and Pakistan – if Islamabad and New Delhi did not join the effort from the same side.<sup>3</sup>

There were a number of quick developments following the London conference. General Ashfaq Pervez Kayani, Chief of Staff of the Pakistani Army, gave a detailed briefing to the press after returning from Brussels where he had met with the NATO commanders on the eve of the London conference. He spoke about the strategic interests Pakistan must protect as new developments occurred across the border in Afghanistan. “We want a strategic depth in Afghanistan but do not want to control it. A peaceful and friendly Afghanistan can provide Pakistan a strategic depth”, he told a selected group of journalists called to his office in Rawalpindi. He took a strong position against the offer made by India to train the Afghan military and police, offering instead a role for Pakistan. He was also nervous at the thought of a strong military force sitting right across Pakistan's border in Afghanistan. “If we get more involved with the ANA [the Afghan National Army], there will be more interaction and better understanding”. He told the press that Pakistan had 140,000 troops stationed in the border areas with Afghanistan. Some of them were fighting the Taliban. In the last seven months Pakistan had launched 209 major operations and 510 minor ones, losing 2,273 officers and soldiers. Among those who lost their lives were a disproportionate number of officers, about 10 per cent of the casualties.<sup>4</sup>

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<sup>2</sup> President Barack Obama's new Afghanistan strategy was discussed by the author in an earlier brief. See Shahid Javed Burki, “The United States in Afghanistan: President Obama decides to fight the war in his way”, ISAS Brief No. 142, 3 December 2009.

<sup>3</sup> Shahid Javed Burki, “Afghanistan: The London Meeting”, ISAS Brief No. 154, 4 February 2010.

<sup>4</sup> Quoted in Zahid Hussain, “Kayani spells out terms for regional stability”, *Dawn*, (2 Feb.), p. 1.

## Resumption of India-Pakistan Dialogue

Among the more important developments following the London meeting was the decision by New Delhi to restart negotiations with Pakistan. India thus gave up its position that it would not talk to Pakistan about resolving the many issues that had soured relations between the two countries unless Islamabad took steps to prosecute those who had masterminded the terrorist attack on Mumbai on 26 November 2008. India also demanded that the infrastructure used in Pakistan by various terrorist groups that had targeted the country should be dismantled. On 4 February 2010, New Delhi proposed the resumption of talks at the foreign secretary level but did not suggest an agenda. The response from Islamabad was quick. Abdul Basit, the foreign office spokesman, said that “if India dispenses with its traditional inflexibility there is a possibility of moving ahead. Pakistan has always believed that it is only through genuine and meaningful talks that Pakistan and India can resolve their disputes.”<sup>5</sup>

On the same day that New Delhi sent out its invitation to Pakistan to start formal talks with India, P. Chidambaram, India’s Home Minister, told newsmen in New Delhi that the handler of the group that penetrated Indian defences to attack Mumbai may have been an Indian, something the Pakistanis had suspected all along. “When we say that [we mean] he could be somebody who acquired Indian characteristics. He could have infiltrated into India and lived there long enough to acquire an Indian accent, and familiarity with Indian Hindi words.”<sup>6</sup>

On 5 February 2010, a day after the announcement from New Delhi, Shahid Malik, Pakistan’s High Commissioner in India, met with Nirupama Rao, India’s foreign secretary, to discuss the timing and content of the high level meeting between the two countries. “All possible issues which are of concern to Pakistan or India will be discussed”, he told the press after the meeting. “Kashmir is an issue we have been raising with India at every possible opportunity and forum. Terrorism will certainly be one of the areas of discussions because we have issues relating to terrorism and this is something that affects Pakistan”.<sup>7</sup> After several exchanges between the two capitals, 25 February 2010 was set as the date for the first meeting between the foreign secretaries.

While the process for resuming discussions was proceeding, terrorists struck India once again, this time in Pune, southeast of Mumbai. On 13 February 2010, a bomb was left at a German bakery frequented by foreigners. It exploded killing nine people instantly and one later when he succumbed to the injuries. The bakery is close to Osho Ashram, a mystic center popular with foreign visitors and the Chabad Center run by the Jewish Orthodox Chabad Lubvitch movement. The same Jewish group was targeted by the terrorists in the Mumbai attacks. There were calls from a section of the Indian press for the suspension of the talks scheduled for the end of February. These calls were rejected by New Delhi.

The news that India was prepared to restart its dialogue with Pakistan, which had first begun in 2004 but had been suspended in 2008 after the terrorist attacks on Mumbai on 26 November 2008, was received in Pakistan with a mixture of relief and triumph. Most policymakers were of the view that the position Pakistan had taken following the Mumbai carnage was vindicated. There is a feeling in Pakistan that India has begun to recognise that

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<sup>5</sup> Quoted in Baqir Sajjad Syed, India changes tune; offers high level talks”, *Dawn* (5 Feb. 2010), p. 1.

<sup>6</sup> Quoted in an AFP report, “Handler of Mumbai attacks could be Indian: Chidambaram”, *Dawn* (5 Feb.), p. 1.

<sup>7</sup> Quoted in Reuters report picked up by *Dawn* in “Officials meet to set agenda of Pak-India talks”, (6 Feb. 2010), p. 1.

there was no official Pakistani involvement in the attacks. The terrorist activity launched in Pakistan by the group that calls itself *Tehrik-e-Taliban Pakistan* (TTP) in the fall and winter of 2009, was a clear indication that that country was also a victim of terrorism. Some 600 people were killed in these attacks in the country's major cities – Islamabad, Lahore, Karachi and Rawalpindi – and in many small towns in the Northwest Frontier Province. That said, suspicions remain in India that the security agencies in Pakistan are involved in creating trouble in India. According to a report published in the news magazine *India Today*, the tactics of these security agencies may have changed. Rather than training Pakistani terrorists to infiltrate India, it is claimed that the focus has shifted to activating disgruntled Indian Muslims who are being brought into Karachi and are being trained to carry out terrorist activities in their country.<sup>8</sup> The Pakistanis have similar impressions about India's possible involvement in Baluchistan. These issues, no doubt, will be addressed at the New Delhi talks.

The fact that there was some disagreement over the content of the dialogue once it began was yet another indication of the nature of the relationship between India and Pakistan. Even relatively minor issues become contentious. India initially indicated that it only wished to discuss terrorism while Pakistan wanted to go back to the composite dialogue which covered most of the contentious issues that had caused so much hostility between the two South Asian neighbours. The discussion to begin discussions went on right up to the time of the resumption of the dialogue. On 17 February 2010, the Pakistan foreign office spokesperson told the press that the government had sought a clarification about a statement attributed to the Indian External Affairs Minister S.M. Krishna that the composite dialogue would not be started and that the Indians will limit the discussions to the issues that were of immediate concern to them.<sup>9</sup> That, of course, meant terrorism.

### **Placing the dialogue in a new framework**

This may be a good time to completely change the framework within which India and Pakistan have been discussing their relations ever since 2004. Then, at the sidelines of the summit of the leaders of the South Asian Association for Regional Cooperation (SAARC) Pakistan's then President Pervez Musharraf and then Indian Prime Minister Atal Bihari Vajpayee agreed that the two countries should attempt to resolve their differences through dialogue. In the context of the history of India-Pakistan relations this was a major breakthrough. As was always the case, Islamabad wanted to focus on the issue of Kashmir. New Delhi was in favour of discussions that covered the many reasons for the continuing tensions between the two countries. These included territorial issues other than Kashmir. For a number of years India and Pakistan had been fighting over the Siachin Glacier in the eastern part of the disputed territory of Kashmir. There was also dispute over Sir Creek on the western side of the border between the two states. The Indians suggested that movement on these issues would build confidence and ultimately lead to the resolution of the more difficult problems, including perhaps Kashmir. Islamabad accepted New Delhi's position which then became the basis of the "Composite Dialogue".

The two countries are now debating once again the content of the dialogue expected to be resumed on 25 February 2010. According to a newspaper report, what should be right approach to the Indian initiative was discussed at a brainstorming session at the Ministry of

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<sup>8</sup> Sandeep Unnithan, "The Karachi Project", *India Today* (18 February 2010), pp. 11-17.

<sup>9</sup> *Dawn*, "Pakistan concerned over Krishna's remarks" (17 February, 2010), p.1

Foreign Affairs in Islamabad where some concern was expressed that unless the “Composite Dialogue” was fully restored, Pakistan should not participate in the discussions. However, the diplomats left the final decision to the politicians who, it was said, may be able to think outside the box. They may be able to find a way to depart from the entrenched positions in the two bureaucracies – the Indian position that dealing with terrorism has to be the main focus of discussions and Pakistan’s position that the entire relationship should be on the discussion table.<sup>10</sup>

If thinking outside the box is to be encouraged, Islamabad should attempt to base the dialogue on an entirely new consideration: how to bring about greater economic integration between the economies of the two countries. The objective should be to develop a stake for India in the Pakistani economy and also in its stability. This would entail a number of things including unhindered flow of trade between the two countries, encouraging the private sectors on either side of the border to invest in each other’s economy, the opening up of the border that separates the two parts of Kashmir to trade and movement of people, grant of transit rights to each other for trade with third countries. As the European experience shows, economic integration among states that have known great hostility towards one another is a good way of easing tensions. Taking that approach would constitute real thinking outside the box.

The question is often asked as to what India and Pakistan would trade in case they were to ease the restrictions on the flow of goods. There are many complementarities between the two countries. Pakistan now has a reasonably well developed automobile vending industry which could feed the rapidly developing car industry in India. Pakistan imports iron ore from Australia for the steel mill at Karachi; this could be obtained at a lesser cost from India given the shorter distance involved. While these are obvious examples of complementarities, trade economists believe that the comparative advantage argument should not be pressed too far to fashion the pattern of trade among countries. There are product preferences consumers hold that governs a great deal of international trade. The US imports wines from France, Australia and South Africa although it has a vibrant industry of its own.

There are other possibilities of economic contacts. Several years ago, Reliance Industries of India showed interest in using the depleted salt mines at Khewra, south of Islamabad, for storing fuel oil. This would have cut the cost of transporting it to its refineries in northern India while Pakistan would have charged for storage.

## **Conclusion**

As India and Pakistan sit down at the conference table once again to discuss how they can resolve their many differences, it might be the right time to change the substance of the dialogue. This can only be done if they cast off the burden of history they have carried for more than six decades and construct a new relationship on purely economic grounds. Once the dialogue focuses on economic issues both sides will realise that they are not operating in a zero-sum framework when one side gains at the expense of the other.<sup>11</sup> Both will benefit from increased economic cooperation. In fact they could also draw in Afghanistan into this relationship.

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<sup>10</sup> Baqir Sajjad Syed, “Foreign office counsels caution on Indian offer”, *Dawn* (9 February, 2010), p. 1.

<sup>11</sup> The author discussed this approach in a newspaper op-ed piece written while he was visiting Pakistan. See Shahid Javed Burki, “Talks based on economics”, *Dawn* (16 February, 2010), p. 7.