

PAKISTAN IN THE CHANGING WORLD: BALANCING OLD INTERESTS AND NEW PRIORITIES

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Introduction

The regional as well as international environment has gone through some fundamental changes during the past five years that have greatly influenced the direction of Pakistan's foreign policy, and continue to put multiple pressure on it to "reposition itself" as a moderate Islamic state.¹ The terrorist attacks have refocused attention on Islamic militancy, fundamentalist doctrines of Islam and the social and religious sources in some of the key Islamic countries, including Pakistan, that shape the mindset of the terrorists and their worldview.² There were already important voices in the intellectual, and to some extent in the policy circles of the United States, and other Western countries against the new threat that Islamic radicalism posed to the stability of secular pro-Western regimes in the Middle East and Central Asia, including Pakistan.³ But much of the debate was ignored as politically motivated and inspired by the themes of "clash of civilizations".⁴ Most of the policy makers thought the war in Afghanistan, the rise of the Taliban and sectarianism in Pakistan were troubles in distant lands that would not disturb the security and tranquillity of Western societies. Even the assessment of al Qaeda as a trans-national terrorist organization was ambiguous at best with little notice of its power, influence and resources and phenomenal rise in a short period of time.⁵

The events of September 11 have fundamentally changed thinking about these threats.⁶ Islamic militancy, fundamentalism and terrorism have emerged as new enemies in the western security perceptions that present a serious challenge to modernity, development and stability of a globalizing world. There appears to be emerging a polar view of the world in which Islamic countries because of deep impact of religion on culture, social forces and resulting ambiguity about the modern world, stand apart from the rest. The distinction between moderate, pro-western states and a very few labelled as "axis of evil" to many Muslims is very superficial, and even perhaps to most of the conservative policymakers in

the West as well because what defines them is a common civilization core, and a prevalent anti-western sentiments at popular level. This new polarity has posed serious problems for Pakistan's foreign policy for three reasons. First is its image of society spanning sectarianism and religious extremism.⁷ Islamic education and the madrasa networks that have greatly expanded both in the urban areas and in regions to close to the Afghan borders, a legacy of the Afghan war, have created a culture of Jihad or holy war.⁸ What troubles the outside world is that it is no longer a local phenomenon but trans-national one with the potential to influence security in distant lands.⁹ Therefore, attention has turned on to the nature of religious education in Pakistan, socialization of young students of Islamic theology and their distorted image of the Western and modern world.¹⁰ Threat perceptions from this source might be exaggerated, but there cannot be two opinions about how the religious experience of madrasa shapes students' perception of the self and the other. Islam in the image of the neo-militants and fundamentalists cannot reconcile to the values of the Western societies. Liberalism, capitalism and even democracy according to its fundamental principle of individuality are alien and the faithful has to charter his own course and destination in fashioning social, economic and political system according to the principles of Islam.¹¹ The west and western civilization in this dogmatic and ideological view are seen as adversaries of Islam and Muslims. Informal social dialogue, production of literature and political discourse are some of the instruments that Islamists have employed as channels of their own cultural war against the west. They have built up their case on the narratives of wars in Afghanistan and Iraq, deprivation, injustice, corruption and bad governance of their elites and their connections with the western countries. It is therefore, not just an image problem of Pakistani society, but a real structural challenge that confronts modernist, reformist sectors and the foreign powers interested in redefining and reorienting the Pakistani state from Islamism of the 1980s to a relatively secular and moderate reconstruction.¹²

The second reason for concern about Pakistan is the bigger issue of state formation process. From a sociological perspective, the rise of religious extremism and violence has roots in social underdevelopment, limited economic opportunity and the plethora of unattended structural problems of economy and society that authoritarian political orders have produced in the Islamic countries.¹³ In a diverse and relatively complex society like

Pakistan, democracy and constitutional politics might have removed, or at least mitigated the causes that have created the militant trans-national Islamic networks and some social support for them. The social and political roots of terrorism lie at the heart of debate on what has been wrong with the nation and state formation process in the Islamic world. In this debate, Pakistan is more significant because of its large size, geopolitical location and nuclear capability. With the Islamist parties presenting themselves as serious contenders for political power even through an established electoral process raises fears among the western powers about the future direction that it might take under clerical rule.

Finally, Pakistan's domestic and foreign policy outlook in a changing world faces legacy issues. Most important of these twin legacies is Pakistan's involvement in Afghanistan for a quarter of a century, first on the side of the Afghan Mujahideen resistance, and then in support of the Taliban regime have left great impact on Pakistani state and society.¹⁴ Pakistan sheltered, supported and even helped organized the Afghan resistance against the Soviet Union. It was not alone in this historic conflict, but part of an international coalition that the United States in its effort to fight and win the cold war had cobbled up together. It worked, and it worked so well that the United States began to fear the regional consequences Islamist factions capturing power in Afghanistan. With the defeat and fall of communism and disintegration of the Soviet it began to redefine its interests in Afghanistan and its front-line partner, Pakistan. Afghans were left to fight their own wars and Pakistan to clean up the mess, as the US wandered off to attend to its business elsewhere. Kabul and Islamabad have paid a heavy price of neglecting the issue of sustainable peace in Afghanistan and dealing with the troubled legacy of that war. Terrorism and Islamic militancy in our view is also a product of the ravages of two wars, the Afghan and Iraq, and more recently, Israeli war against Lebanon because they give empirical evidence to the binary world view of the Islamic radicals. Before these wars, the desert storm rekindled the historical animosity of traditional sections of Arab societies toward the US. And a stateless Afghanistan, in conditions of a civil war, gave those elements the sanctuary that they needed to plan and implement their agenda of violence.

This paper examines Pakistan's foreign policy in a vastly changed regional and global setting, which is more constraining, intrusive, and even coercive than any previous periods. Some of the world powers, particularly, the US seem to have deep interest in its internal political movements and conduct of foreign relations with the immediate neighbours. This interest has been shaped by mixed factors of suspicion, distrust, regional importance in stabilizing Afghanistan and reforming Pakistan as a moderate Islamic state. The ideological make up of the country, Islamic orientation of the society, solidarity with ambiguous Islamic causes at popular level, geopolitics of troubled Afghanistan and a long history of involvement in conflict situations in that country have largely contributed to a regional environment that fans and foments religious extremism. The world therefore tends to view Pakistan as a part of the problem as well as a part of the solution of terrorism. Today, Pakistan operates in a very difficult international climate, expending its foreign policy energies on proving its sincerity and steadfastness as a "frontline" member of coalition against terrorism, and in convincing partners that it has moved away from its earlier policies toward Afghanistan and India. National image is one of the serious drags on the conduct of foreign relations. Frequent acts of religious and ethnic terrorism, military rule at a time when the world has increasingly accepted democracy as a universal value, and emerging polarization on the role of military in national politics factor in a lot in policy calculations of foreign powers and their policy outlook toward Pakistan. In view of these essentially limiting factors, Pakistan finds itself in a tight corner with few options. It has been quite difficult for Pakistan to balance its security interests with unending pressures to "do more" on almost every piece of domestic and foreign policy issue. In the following sections we will explore some of the enduring dilemmas, new orientation, change and continuity in Pakistan's foreign policy. Our working hypothesis that runs through the structure of this paper is that Pakistan has begun to redefine its relations with the global powers, explore new options, and deepen understanding with its traditional partners.

Pakistan's new partnership with the United States

For almost a decade, after the eviction of Soviet forces from Afghanistan, Pakistan and the US, the two former allies, found very little in common to continue the partnership. The United States didn't share Pakistan's regional interest in either supporting insurgency in the Indian occupied Kashmir or assisting the Taliban militia in the Afghan civil war. The development of Pakistan's nuclear programme that the US ignored during the Soviet war in Afghanistan re-emerged as one of the central points of divergence in their bilateral relations. Pakistan failed to convince the United States about the rationale of its policies on these issues. With the Soviets gone from the region and collapsing as a territorial unit, Pakistan lost an important lever to influence American policy.¹⁵ The US policy achieved remarkable success in defeating the Soviet Union, and that was its central goal. Beyond that, it was not willing to stay around to attend to the messy fall out of religious extremism, state and nation-building task in Afghanistan or help Pakistan deal with the grave impact of its involvement in the Afghan resistance. By quickly disengaging, it went back to its earlier policy posture of benign indifference to the Afghan civil war, dismissing Pakistan's regional concerns. Besides a sense of "mission accomplished", another important reason was that Washington got worried about the regional security implication of the Islamist Mujahideen controlling Afghanistan, and it saw deep interest of some Pakistani circles in such an enterprise. The US policy toward Pakistan changed from close collaboration on Afghanistan to isolating Pakistan and imposing sanctions on it. Washington also started sending out series of tough demands on Islamabad, issuing implied threats, exerting diplomatic pressure and warning of graver consequences to bring Pakistan in line with its new policy of curtailing the growing influence and power of the Islamist forces. It wanted Pakistan to take effective measures by cutting its support off to the Islamist groups in Afghanistan, banish the religiously motivated private militias from crossing national boundaries and close its doors to Islamic activists from other countries that had grown links with like-minded elements in Pakistan during the Afghan war.¹⁶ It was a toll order for the Pakistani state that had developed strong links with these groups to fulfil part of its foreign policy agenda in the region. Frankly, Pakistan and

the Islamic fundamentalist were encouraged and supported by the United States to take up arms against the communists in Afghanistan and the Soviet forces trying to sustain and stabilize them.

Now the United States wanted Pakistan to reverse its decade-old policies without showing sensitivity to the legacy issues and the long-term consequences of fomenting a spirit of armed resistance and holy war among most of the Afghans and bordering regions, including the western borderlands of Pakistan. Pakistan's failure in making an abrupt policy u-turn was no less an important on the mind of American policymakers than the nuclear programme when they slammed sanctions against Pakistan in the fall of 1990.¹⁷ Three years later Pakistan was put on the watch list of terrorist states on the grounds that it was supporting militants in the Indian held Kashmir, historically a disputed region where the two countries have fought four wars. Nuclear testing in May 1998, which was in response to Indian test earlier in the month, invoked a new wave of sanctions that remained in place until renewal of Pakistan's cooperation with the United States in its war against international terrorism and campaign to defeat Taliban and al Qaeda forces in Afghanistan. A third layer of sanctions was imposed when the military took over power by overthrowing an elected government in October 1999. This virtually ended all kind of cooperation between the two old friends. The loss of this relationship hurt both the countries. The pain of economic strangulation and diplomatic isolation did a great deal of harm to Pakistan, but the consequences of this policy were equally negative for the U.S; its traditional influence with Islamabad.

The events of 9/11 have transformed Pakistan-US relationship altogether, for the third time since 1955. The sudden move to repair and rebuild relations between the two estranged former allies was as a dramatic as the rupture that followed departure of the Soviet forces from Afghanistan. Washington has lifted all the sanctions from Pakistan one by one, and Pakistan is once again a "front-line state", this time against terrorism. Why did Pakistan emerge so central to the American war against the Taliban and al Qaeda network? It did for two fundamental reasons. First, it is due to Pakistan's strategic location on the southern fringes of Central

Asia, covering southern and eastern flanks of Afghanistan. Also, Pakistan's long coast along the Arabian Sea further places it at the centre of maritime strategy for the hinterland in this direction, as it is obvious from the American use of airpower from its aircraft carrier groups in the area. No such operations could be conducted within the existing international legal regime without the consent and cooperation of Pakistan. Pakistan's airfields, intelligence resources and the institutional strength of the armed forces were considered essential for defeating the Taliban and routing out the al Qaeda from the region.¹⁸ India's offer of providing bases to the United States would have been meaningless as it has no border contact with Afghanistan and anything would have to pass through Pakistani airspace. No realistic strategic planner would place his assets at distant locations and operate from there without a friendly land and air bridge to the target areas. The most important consideration in soliciting Pakistan's support was the proximity of its bases from which search, recovery and other vital operations could be launched. Second important reason behind seeking partnership with Pakistan was Islamabad's experience of handling Afghan groups for three decades and the intelligence assets it had acquired over the decades. Pakistan's support was crucial in sealing the borders, preventing the Taliban and al Qaeda fighters from crossing over to the country and taking shelter there.

Pakistan had hardly any choice when its leadership was fired at a straight question: are you with us or with them and handed down a list of demands.¹⁹ A military regime facing sanctions and largely isolated rather used the demands as an opportunity to reconnect with the U.S., end international isolation, and thus seek legitimacy. It was too eager to oblige and be part of the "coalition of willing" in defeating the Taliban without any hesitation. Ditching the Taliban meant taking a u-turn on Pakistan's Afghan policy that it had pursued for quarter of a century.²⁰ The policy in brief was meant to bring Afghanistan into Pakistan's sphere of influence and use it for furthering of economic and political interests into Central Asian region. The moment of truth arrived with the straight talk from Washington without any room for manoeuvring for Pakistan. It had no escape from compulsory retirement from its policy of interference in Afghanistan in the name of security and

other compulsions. It was wise, rational and pragmatic decision to change sides from the Taliban to the international coalition against terrorism led by the United States. It might have been a difficult decision, but the question is, could Pakistan stay neutral in the war or risk being with the Taliban that had no chance of surviving. Pakistan exhausted its moral responsibility to the Taliban by conveying to them to the last moment that perhaps they could procure their survival by surrendering Osama bin Laden and al Qaeda for their involvement in the terrorist attacks.²¹ True to their image of rigidity, the top Taliban leaders refused to budge. A combination of fatalism, tribal inflexibility and ignorance of the destructive nature of modern warfare prevented them to understand what was in the offing for them.

Pakistan made virtue out necessity in becoming part of the American led international campaign against terrorism in Afghanistan, which is euphemism for physically eliminating the Taliban and al Qaeda. Aligning with the United States third time has served Pakistan's interests well. It is no longer isolated as it was before September 11. All the sanctions that Pakistan faced for more than decade have been lifted, and now Pakistan is receiving economic and other assistance to implement its reform agenda.²² The rescheduling of debts couldn't be possible without the support of the United States and other Western countries that are sympathetic toward Pakistan for the risks it has taken in distancing itself from the forces of religious extremism that have been sympathetic toward the Taliban. Pakistan has received direct economic assistance of \$2.63 billion from 2002 to 2005, and \$2.3 billion more as compensation for providing facilities and support to the coalition forces during the 2002-05.²³ Under a \$3 billion five-year assistance programme, U.S. is providing around \$ 600 million each year to support various social, economic and military related projects of Pakistan.²⁴

Two other positive gains for Pakistan are that it has been accepted as a non-NATO ally/partner that has allowed Pakistan to receive some military equipment on concessional rates; and purchase of F-16 jet fighters that Pakistan has coveted for the past two decades since the earlier deal fell through. Pakistan has also procured a wide range of weapon systems from the U.S. through military grants and sale

programme. Unlike in the past, the two countries appear to be keen to expand cooperation beyond traditional security matters. In recent past, Pakistan has developed deep interest in the American export market, where it sold goods worth \$3.6 billion in 2005, and its imports from the U.S. were \$1.17 billion.²⁵ Along with strategic partnership, Pakistan and the United States have initiated dialogue on energy cooperation, science and technology, education and economy.²⁶

Any movement in these directions would definitely deepen relations between Pakistan and the U.S. But the mainstream political parties in the country are not impressed by the U.S. policies toward Pakistan and the region. There is a general impression among the Pakistani opposition parties that the US has subordinated its goal of promoting democracy in the Muslim world to its security interests in supporting authoritarian and often oppressive governments. History of her relations with Pakistan during the two waves of the cold war suggests that the democratization was never a U.S. priority, and it had no problem in propping up and assisting the two former military rulers. This policy doesn't seem to have changed. Musharraf is Washington's blue-eyed boy, as he is assisting them in "hunting terrorists along the Afghan border".²⁷ For the U.S., so far, it has been good justification for not applying any pressures on the military regime, and it seemed somewhat satisfied with the democratic facade that the general has created by holding two rounds of local elections and one for the national and provincial legislatures. But as the regime appears to be running into political minefields largely laid down by its own wrong policies, the opposition forces are becoming more assertive in protesting in the parliament and outside in the streets.²⁸ A low level insurgency in some parts of Balochistan and frequent acts of sabotage and counter-security operations have further added to the political difficulties of the regime. Will the U.S. government, which is generally perceived as the chief patron of Musharraf will continue its unconditional support or put pressures on him behind the scene to hold free and fair elections that are due next year to help make transition to democracy in Pakistan? The signs are that Washington, European Union and Commonwealth countries would watch next steps of the military regime carefully and support moves toward improving democracy and human rights situation in the

country. Perhaps, this could be an indication of some change that the U.S. House of Representative in June this year slashed aid to Pakistan for the financial year 2007 by one hundred million for failing to restore democracy.²⁹ The U.S. Secretary of State, Condoleezza Rice on a visit to Pakistan the same month was quite blunt in telling a press conference after meeting with Musharraf that he should hold “democratic, free and fair elections”.³⁰ It is not clear if there is a decisive shift in Washington’s policy on this issue, but pressure is likely to mount further in the coming months when Pakistan prepares for fresh elections, as opposition closes its ranks on demanding removal of Musharraf.

While there is convergence of interests between the two countries on stabilizing Afghanistan, fighting extremism and trans-national terrorism, there are lot of points of divergence on how the two sides are performing in this war. The U.S. and its other regional allies continue to raise questions about Pakistan’s resolve and commitment to fight terrorism. Pakistan’s relevance to the U.S. strategic needs in the region is very much linked to what it can do to stabilise Afghanistan and help the U.S. fight al Qaeda and the Taliban. Pakistani forces, now number 80,000 along the Afghan border have, killed and captured hundreds of terrorists, and have handed over a good number of high ranking al Qaeda suspect to the U.S. during the past five years. While recognising the local stakes and political sensitivities of Pakistan, it wants her local partner to “do more”. President George W. Bush on a brief visit to Pakistan in March made a telling remark: “Part of my mission today was to determine whether or not the president (Musharraf) is as committed as he has been in the past to bringing these terrorists to justice, and he is,”.³¹

Pakistan has vigorously contested the view that it is not doing enough against the cross-border intervention into Afghanistan. It blames the Karzai government for failing to extend its authority beyond limited zones around the national and provincial capitals, or having political capacity to win support of the restive Pashtun ethnic groups bordering Pakistan. To deal with such complaints, Afghanistan, U.S. and Pakistan have established a trilateral intelligence and security network to monitor the borders. The joint watch over the border through deployment of Pakistani troops and American technical means had many loopholes

from the very beginning, and efforts to plug them over the past five years have only partially succeeded. In the first months of wars, some of the al Qaeda operatives slipped through the lines using local contacts in the tribal areas. There were many questions raised about the capacity of Pakistan to control these elements, and also about the wisdom of the US to delegate capturing of fleeing Taliban and al Qaeda leaders to the local Afghan warlords at that time. The control over the borders, though it required heavy deployment of troops and in some areas along the Afghan border for the first time, Pakistan's armed forces have done relatively better job than the coalition forces on the other side of the Durand-line in denying territorial space to the Taliban. The policy of deep military penetration of the tribal belt and offensive operations against the tribesmen suspected of sheltering foreign veterans of the Mujahideen resistance has been on an immense human and political cost. Hundreds of Pakistani soldiers and civilians have lost lives in the fight in the military operations in Waziristan.³² And the operations have divided Pakistani society; those who oppose this policy accuse the military regime of doing it to please the Americans.³³

Historically, the Pashtun tribal regions along the Afghanistan-Pakistan border have played a major role raising militia and tribal armies that the conquerors of old empires raised to capture areas beyond Indus or to wage wars of succession inside Afghanistan. In more recent times, this belt played central role as a staging area in Pakistan's policy of organizing resistance against the Soviet occupation of Afghanistan. Before that Nadir Khan mobilized Pashtuns in this region and raised a big militia in late 1920s for removing Amir Habibullah, the Tajik bandit, popularly known as *Bach-a-Saqa* (son of water carrier).³⁴ This time around, some of the al Qaeda and Taliban fighters found sanctuary and social support among the tribesmen. It is questionable how much trouble in Afghanistan's southern and eastern provinces is due to the support Pakistani tribesmen have been providing to the insurgents and how much it is due to the corruption and failures of the Karzai government, but this issue has caused tremendous difficulties in Pakistan's relations with the U.S. and Afghan governments.³⁵

Among other common concerns about South Asia—non-proliferation, drug-trafficking, religious extremism, stability and conflict prevention—the United States has added to the Pakistani list, social and educational reforms.³⁶ Pakistan expects that the revival of security links with the US would bring her the necessary resources and political support to tackle its internal problems with greater focus and determination than it has in the past.

Pakistan has its own list of concerns. Top among these is the growing strategic partnership between India and the U.S. Pakistan is concerned about the long-term impact of this relationship on its regional security situation. Nuclear cooperation agreement will keep a large number of facilities and reactors, including breeder reactors, outside safeguards, allowing India to continue its nuclear expansion programme without any restraint. Pakistan feels that it has been discriminated against by the U.S. policy of treating the two countries differently.³⁷ The United States doesn't see relations with the two South Asian rivals as a "zero-sum" game and argues that they are driven by different sets of issues.³⁸

Despite differences, which are quite often voiced loudly, Pakistan and the U.S. consider their new engagement to their mutual benefit. Who gets more out of any partnership is always a contested issue, and it will remain so in the case of Pakistan and the United States. Their cooperation is vital for securing Afghanistan and rehabilitating it as a normal and peaceful state. At bilateral level, U.S. economic assistance for Pakistan is extremely valuable as it gives her a breather to make difficult structural economic reforms and attend to stubborn problems of social underdevelopment.

Relations with the post-Taliban Afghanistan

It has been a difficult task for Pakistan to forge new ties with the new rulers of Afghanistan for number of reasons. Pakistan's image as a strong supporter of the Taliban and considerable evidence that it allowed supplies of material and Pakistani men to assist the religious militia to defeat their ethnic and sectarian rivals in Afghanistan have proved a psychological barrier in the way of accepting Islamabad as a partner. The leaders of the Northern Front in particular have been overtly hostile for they attributed their human and

territorial loss, human suffering and misery indirectly to Pakistan.³⁹ The late Ahmad Shah Masud and his followers from the Panjsher valley holding top positions in the Karzai administration considered Pakistan responsible for unending civil war and their war against the Taliban as a war of national liberation. The animosity among them runs very deep. In June-July 2002 there were number of stories, confirmed by Central Asian diplomats, circulating in national and international press that Northern Front warlords sold out 30 or more Pakistani prisoners to India who were flown out from Dushanbe, capital of Tajikistan.⁴⁰ This caused a tremendous outrage in Pakistan and has further strengthened the view that the Northern Front leaders carry a chip on their shoulder in dealing with Pakistan and its citizens. They kept thousands of Pakistani Taliban in their private prisons, tortured them severally and later releasing them on the payment of huge ransom by their family members.⁴¹ The released prisoners have told unthinkable stories of torture and reported how thousands of them died in containers without a single hole to breath. Every Pakistani Taliban whatever his motivation to go and fight against the Northern Front violated Afghan sovereignty, but the view in Pakistan and among the government circles is that they should have been treated as prisoners of war with all the rights and punishments under the international law. There are still Pakistani prisoners in the captivity of the warlords and even the intervention of the Karzai government has not succeeded in get them released. Karzai personally and many of his advisors and cabinet ministers from Pashtun areas have been eager to mend fences with Pakistan and start a new chapter. Karzai chose Pakistan as his first foreign destination after assuming the chairmanship of the Afghan interim administration. While visiting he asserted that “we, Afghan, have nothing but goodwill for Pakistan and it is from the heart. We don’t have to put it into writing or express it in any other form”.⁴²

Pakistan on its part has tried to reassure all factions in Afghanistan that it has a new outlook and that it would neither side with any faction nor would it allow its territory for any hostile action against the new government in Kabul. During the period from launching of the military strikes to the Bonn Accord among the Afghan groups in December 2001, Pakistan tried to seek assurances from the US and other partners in the war against terrorism that its interests in Afghanistan would not be neglected. While political stability, political and economic reconstruction and peace are not new but old concerns of Pakistan,

it wanted better understanding and accommodation of interests of the Pashtun majority in the post-Taliban political arrangements. Islamabad used its influence indirectly and by pushing the idea that the neglect or alienation of the Pashtun majority would not bring about stability and peace. The feeling of alienation among the Pashtuns does exist but with Hamid Karzai as head of the transitional government and cooptation of other Pashtuns into decision-making, power-sharing arrangements are better than at any other time during the past twenty years.

The Northern Front leaders who hold key positions in the new government have slowly reassessed the need to forge relations with Pakistan on pragmatic grounds. It was in part influence of Karzai and in part a gesture of goodwill to Pakistan by Abdul Rashid Dostum, Uzbek warlord that he released 400 Pakistani prisoners in May 2002 in addition to 500 that he released earlier.⁴³ They understand better than they did before in the early 1990s that the economy of eastern and southern parts of Afghanistan is integrated with that of Pakistan. Pakistan offers the most economical, short and safest transit route and is a major source of supplies for reconstruction of physical infrastructure. And there are still 1.8 million refugees on Pakistani soil waiting to be repatriated. The existing problems, including fight against terrorism and the prospects of Afghanistan's economic revival and stability are tied with Pakistan more than any other neighbour. Pakistan has made conscious efforts on sustained basis to cultivate relations with the new leaders of Afghanistan. It has been strong advocate of assisting Afghanistan's recovery in the world forums and has itself pledged \$ 100 million in assistance over a period of five years.⁴⁴ It has already reimbursed \$ 18 million. It has allowed liberal donation and sale of wheat from its surplus stocks and other supplies on regular basis and has allowed its ports, roads and railways to be used for all reconstruction activities.⁴⁵

Relations between the two countries have improved substantially. The government leaders of the two countries have regularly visiting each other and they are engaged in high level consultation. Some of the dust of mistrust and bitterness is gone, but they have to work more to get the shine in their bilateral relations. For this they have taken the route of economic cooperation in furthering mutual interest. There are good signs that they are succeeding in this respect. The bilateral trade is hugely up. Starting with a very low base, trade during the fiscal year 2005-06 jumped to \$1.4 billion because of increasing demand

for Pakistani goods.⁴⁶ It has taken good advantage of geographical proximity and competitive edge over many of its regional rivals. The two countries are exploring partnership in long-term mega projects. Some of these are: industrial zones along the border with Pakistan, extension of Pakistan Railways to Kandhar and even beyond. They have revived the Turkmenistan, Afghanistan, and Pakistan (TAP) gas pipeline project which was thrown into cold storage after UNOCOL, a U.S.-based consortium of companies withdrew from the project in August 1998. The TAP will turn Afghanistan into an energy corridor, linking Central and South Asia.

There are number of problems that the two countries have yet to resolve. Repatriation of refugees, release of Pakistani prisoners from Afghan jails and transit trade facility are going to be on the top of agenda in the coming years. Release of Pakistani prisoners is taking place, though at a slow pace and Pakistan is not averse to punishing those who might be found involved in crimes against Afghan citizens. They have reached understanding to expedite the process and that will also include release of Afghans in Pakistan prisons. The issue of refugees is troublesome. Pakistan has hosted more than three millions of them in the past and there are an estimated 1.8 million in the country. Most of them wish to go back with or without assistance from the United Nations High Commission for Refugees that has been funding their return. Over 1.2 million have gone back voluntarily during the past year. But the flooding back of refugees has already caused economic and social problems, as the interim government lacks the resources to rehabilitate more of them. Recently, Afghanistan and Pakistan reached an agreement to facilitate refugee repatriation in phases over the next three years. Whether refugees go back to Afghanistan or stay in Pakistan or more enter back into Pakistan will depend on conditions of war, peace and economic opportunity. Therefore, Pakistan's vital interest lies in that country's stability and peace, so that it sheds the burden of the refugees on its labour market, utilities and services.

The transit trade issue is as old as the independence of Pakistan. Afghanistan being a land-locked country has right of transit through Pakistan which it has recognized through bilateral agreement of 1965. On occasions, it has terminated this facility or tried to control the list of items that Afghanistan can import through Pakistan for political and economic reasons. In recent decades and years, it is the issue of third party goods being re-exported

back to Pakistan which has been causing massive damage to its local industry and revenue which it could otherwise collect in customs duties. The volume of this informal trade which also involves Pakistani traders and connivance of custom officials is estimated to be about \$ 3 billions. Afghanistan wants unfettered transit trade, while Pakistan wants to ensure that whatever is imported through Pakistan stays in Afghanistan and is consumed there. They have a running dispute on the list of items that Afghanistan can import. This will be a continuing problem until Pakistan puts its own house in order because most of the Afghan transit goods are sold openly in its markets.⁴⁷

During past two years, the security situation inside Afghanistan, particularly in the eastern and southern provinces, has worsened. The neo-Taliban forces have ousted the government functionaries, or if they operate, they do so with the implied consent of the Taliban. Afghanistan raises finger on Pakistan as a source of its new troubles, accusing Islamabad of allowing Taliban to train, hide and launch attacks from across the border.⁴⁸ Pakistan turns the blame on Kabul authorities for their incompetence, failure to broaden their social support base, and the coalition forces for not attending to the problem of national construction.⁴⁹ Pakistan is not happy about the presence of Indian consulates in Jalalabad and Kandhar, two Afghan borders towns without any legitimate business, and believes they are involved in funnelling money and weapons to Baloch insurgents and causing ethnic violence. The blame game between the two countries is symptomatic of uneasiness in their relations. The United States and other allied powers with massive and long-term security interest in Afghanistan have intervened several times to cool temperatures in Kabul and Islamabad prodding the two to cooperate closely to defeat terrorism.

New Moves toward India

After a long decline in bilateral relations, and teetering on the brink of war for more than a year, following attack on the Indian Parliament in December 2001, Pakistan and India have restored road, air and railways links. The high commissioners of the two countries have resumed their responsibilities and the flow of private groups and government functionaries has been getting denser. This has generated a new optimism about some reconciliation between the two traditional adversaries. How this thaw has come about and what promise

this holds for the future? A condition of war that persisted for about a year and cutting trade and diplomatic relations off was hurting both the countries. Both wanted to seek a way out of that situation. Under vastly changed regional and international environment Pakistan began to reassess its Kashmir policy in the year 2002. This timing is important for two reasons. First the international opinion had truly turned against militancy, violence and killings by all groups, ethnic, sectarian or nationalists. Pakistan could no longer justify violence by some of the Kashmiri groups in the name of freedom struggle. Also, it couldn't keep denying that it was not supporting insurgency. Second, Pakistan's Kashmir policy was not going anywhere. Its assumption that perhaps it could force India to settle the issue by raising its costs through support to insurgency didn't prove right. Islamabad wanted to pursue the same strategy that it had successfully applied to Afghanistan by aligning itself with the Afghan Mujahideen. The policy makers never realised that no two situations of insurgency or the correlation of forces is the same. In a way it was a test of wills, or who will bleed more and back off. In the Kashmir insurgency both the sides, the Kashmiris supported by Pakistan and the Indians, have bled profusely. This could be a factor in bringing them back to the negotiating table.

Pakistan since the failed Aghara summit has been talking about resolution of the Kashmir problem on the basis of what would be acceptable to both the sides. This would require placing all the possible options on the table and eliminating all those which either of the side will reject. But the question is what will be left to negotiate.⁵⁰ While Pakistan under Musharraf has been talking about exploring options other than the stated positions, India has been intransigent on its position.⁵¹ It doesn't want to negotiate a settlement outside the Indian union. I don't think there is a fundamental change in the attitudes, strategic mind set or in old fixations in either of the two countries. What they have accomplished so far is limited to a general understanding on reduction of tensions, taking measures to build confidence and reengage themselves in the composite dialogue that includes a diverse range of issues including Kashmir. At the moment, this process is stalled and it is uncertain if they would be able to sustain it if India fails to show flexibility that Pakistan has been asking for.

There are many reasons for not sounding optimistic about the fast or decisive positive movement in India-Pakistan relations. There is a long of history of distrust, blood-

letting, and failures in understanding and accommodating each other's concerns and legitimate interests.⁵² The Kashmir disputes and rival claims by the two countries have in the past obstructed restructuring of relations, and continue to block progress after almost sixty years of their existence. Pakistan considers Kashmir as the core issue with India and would like to settle it before it agrees to redefine the entire range of relationships. India has formally rejected Pakistani position but tacitly does recognise that Kashmir is a problem. It doesn't want its resolution either according to the UN resolution or on Pakistani terms. It insists that another partition of India on communal lines will not be acceptable, and that Kashmir is its integral part, which no government would like to bargain away either through war or negotiations.⁵³ This a formal position of India, but in fact in several agreements and declarations it has accepted Kashmir as a dispute but would like to resolve it without giving away any territory, preferring the Line Of Control as an international boundary. While Pakistan believes that time is ripe for resolving the Kashmir issue, India insists that conditions and atmosphere necessary for the resolution of the problem simply don't exist.

Over time, India and Pakistan have moved back to an earlier agreement on the composite dialogue; that all the problems between the two countries must be addressed simultaneously, including the Kashmir dispute. After signing the Islamabad declaration on January 5th 2004, they have revived the peace process.⁵⁴ The changing regional and international environment presents opportunities to both the countries to normalize relations. Global economic and regional strategic considerations might push India to change its policy toward Pakistan, and perhaps make some serious compromises on Kashmir. Many Indians in top decision-making positions acknowledge that India's global economic and political ambitions cannot be realized quickly without settling problems with Pakistan. There is emerging an understanding on both sides that in the shadow of nuclear weapons military means or use of force cannot, and will not resolve the Kashmir dispute. Given relatively higher defence spending both by India and Pakistan, many development experts believe the goals of economic and social development cannot be achieved without peace in the region.⁵⁵ We are not sure whether or not human security would replace traditional security concerns of the two countries. The heavy weight of defence burden is crowding out their resources for social development.⁵⁶

In recent years, Pakistan has faced greater domestic and international pressures to reassess its regional policies than India has. This pressure is quite visible in Pakistan's handling of the Kashmir problem with India. First it has tried to reassure India and Afghanistan that it wouldn't allow any militant group to use Pakistani territory to stage attacks against any other country.⁵⁷ This clearly implies a change in Pakistan's Kashmir policy that it pursued for more than a decade giving whatever support the Kashmiri militants needed, but keeping its support below the threshold of provoking a full-scale war with India. Second, there is also a change in Pakistan's conventional policy on Kashmir. General Musharraf has stated that Pakistan was prepared to "put aside for now" its traditional insistence on plebiscite, and rather would like to explore a new solution acceptable to all three sides-Pakistan, India, and the Kashmiris.⁵⁸ But he has conditioned this change to India showing flexibility on the issue.⁵⁹ This will mean that India gives up its stance that Jammu and Kashmir State is its integral part, and in return Pakistan will give up its position that the dispute be resolved through a plebiscite. But that could only be the starting point. From Pakistan point of view, self-governance of the two parts of Kashmir and demilitarization can provide the basis for out of box solution.⁶⁰ Given the bitter legacies of conflict between the two countries, the fear is that if the core issues remain unsettled, the two sides would edge back to the line of confrontation. What Islamabad and New Delhi need is a meaningful, sustained and focused dialogue that would lead to the resolution of the Kashmir dispute to the satisfaction of three parties, the Kashmiris, India and Pakistan. This problem may be addressed independently or in a basket of others issues, as it was agreed upon few years back. But it should be the subject of unbroken, unconditional negotiations to reach a time-bound, final solution.

Looking East?

Among the eastern countries, depending how one defines the east, Pakistan has been a very close partner of the China since the mid-1960s. At that time, its look east policy was driven by regional security need when tensions between India and China were high and the major powers were trying to win India over through the inducement of economic and military assistance. Since then, Pakistan and China have consistently developed deep and multifaceted relationship ranging from trade and infrastructural projects to defence and

security. China has over the decades immensely contributed to Pakistan's defence industry, ballistic missile, and by many published reports to nuclear programme of Pakistan. How should one explain evolution and continuing growth of strategic partnership between two countries? In the beginning, India as common foe was one of the determining factors. Pakistan needed Chinese support to counter-balance India after its alliance with the United States faded off. More than that perhaps Pakistan's willingness to re-demarcate boundary brought a degree of greater certainty in Pakistan's relations with a giant neighbour that was very sensitive about the validity of colonial boundaries. Another factor that shaped Pakistan's policy was that it couldn't afford have estranged relations with three of the four neighbouring states. Relations with Afghanistan and India varied from frosty to hostile.

China's policy was not just reactive to Pakistani overtures, but a well calculated one for three reasons. First, it wanted to break the stranglehold of containment around it to which Pakistan, though differing on the interpretation of 'aggression', was a party. Second, Pakistan from the Chinese point of view was not only a neighbour but also an Islamic country which could set an example for other less trusting Islamic countries that had fed themselves on the 'communist threat'. Eventually, Pakistan became a very important channel for China to promote better understanding of itself among the Islamic states. It offered its good will and diplomatic means to help China correct its image. Finally, the question of strategic balance, and security lever against India played equally an important role in China's choice of Pakistan as a key South Asian partner.⁶¹

Pakistan's china policy has been one of the most remarkable successes, and a sure sign of its autonomy in foreign policy decision-making, and good manifestation of its framework of bilateralism. The diplomatic, political, economic and security benefits of this relationship are just too many to count. China extended political support to Pakistan at two critical juncture of its torturous history, 1965, and 1971 wars with India. In times of dire need of economic assistance, besides, Saudi Arabia, Pakistan has turned to China. Pakistan's defence industry—heavy mechanical complex at Taxila, tank re-build factory, and Kamra aeronautic complex—are just a few of them. In the 1970s, the two countries worked together to build the Karakorum highway in the most difficult terrain through northern Pakistan to Sinjiang.

During the past quarter of a century, China has changed profoundly with its economic boom, high industrial growth. It has become one of the major economic powers with global interest in markets, energy resources and investment opportunities. With this the basic framework and structure of China's calculation about partners and friends couldn't remain unaffected. Therefore, Pakistan has long wondered how it would be able to sustain China's interest in its security projects and involvement in helping her maintain some degree of strategic balance against India with whom China's trade and commercial relations have rapidly expanded touching \$15 billion mark last year compared to \$ 2.7 billion with Pakistan. Even with this relatively lower figure, China is the second largest trade partner of.⁶² Trade and economic interests when separated from political considerations expand with economic growth and the size of the market and not by the degree of political warmth. That partially explains lower level of economic transaction between Pakistan and China, particularly limited exports of Pakistan. During the past ten years, Pakistan has been attracting China's investment in mega infrastructural projects. Some of these projects are: Gawadar deep sea port at the mouth of Persian Gulf, Saindak copper mining and processing, construction of dams and development of Tharparkar coal reserves and their use for power generation. Pakistan has already established one nuclear power reactor with Chinese assistance at Chashma with 300 megawatt capacity and it is building a second one. Pakistan is negotiating with China for the construction of a series of nuclear power plants on the pattern of Indo-American nuclear deal. Pakistan's relationship with China remains robust in many vital areas and it is likely to expand with the growing importance of access to energy resources and trade corridors in China's strategic thinking. Pakistan has is very keen to integrate China into the Central Asian, Afghanistan and South-West Asian triangle with the offer of energy corridor, and more ambitious project of building railways through the Karakorum ranges to China.

Compared to consistent growth of relations with China, Pakistan's look-east policy toward South-East Asia has been limited. It didn't build on common security bonds under the South-East Treaty Organization, and lost interest after the creation of Bangladesh. Two factors have in the recent years, defined Pakistan's new approach toward South-East Asia, the growth of economies of the region and the success of ASEAN as an integrative forum. Pakistan's looked toward this region with enormous interest in exploring a market for its

products, and for attracting investment in the country. But unfortunately, economic ties with this region have yet to take off. First, operating on the principles of economic union, there is greater focus on intra-regional trade. Second, the products that Pakistan markets around the world, textiles, are either not competitive in prices or face barriers.

Pakistan has however consistently tried to develop better understanding with ASEAN countries on political and security issues particularly in the context of global war on terrorism. Pakistan has become a dialogue partner in the ASEAN Region Forum (ARF) since July 2004 after initial Indian opposition. It is also trying to change its status from Sectoral-Dialogue Partner to Full Dialogue Partner of the ASEAN. These countries are now receptive to this idea and Pakistan is likely to be accepted as a full partner for its growing importance in common fight against extremism and terrorism which has equally affected the ASEAN countries. Perhaps, through these entry points Pakistan may find a better place in the markets of these countries. Already, Pakistan has developed relatively better and deeper relations with Malaysia and Indonesia both in the context of Islamic fraternity and also the role historically Pakistan has played in their independence.

Unlike many other regions, and countries, Australia didn't attract much attention of Pakistan's foreign policymakers. During the past five years, this has begun to mark a change on both sides. There is some interest among the Australian companies to invest in Pakistan with Pakistan's economy showing consistent growth and economic policies becoming more liberal and consistent. Australian companies starting investing in 1997 with \$ 135 million that year. And then in 1999-2000, Australian direct investment touched \$ 197.7, which amounted to 36.3 percent for the total FDI. But since then, the trend has tapered off. Trade however has grown during the last few years from very meagre to US\$ 531 million both ways.⁶³ Natural gas, oil exploration and minerals are some of the areas in which Australian business could be interested, given their experience and comparative advantage.

Australia and Pakistan both were allied to the United States during the cold war against communism and now again they are together part of larger coalition to fight a common war against terrorism. In the changing world context, they share interest in promoting moderation, addressing issues and conditions that produce conditions for terrorism, and in the larger problem of development cooperation. It is perhaps in

recognition of these interests that Australia has offered 500 scholarships to Pakistani students to enrol into its universities over the next five years. Already, Australia has been one of the popular choices of Pakistani students for higher education.⁶⁴ High level visits after decades of interval have been revived with the visit of Pervez Musharraf in June 2005 and Prime Minister Howard's visit later in the year in November. How will the two countries further build and expand relations with fresh interest in each other may require lot of efforts on both sides. Pakistan in particular needs to redefine its domestic and foreign policy priorities with a greater focus on human and economic development. There is a lot that Pakistan can learn from the experience of East Asia and Australia, and emulate their development strategies.

Notes

¹ Shahid Javed Burki, "Repositioning Pakistan," *Dawn* (Islamabad), August 1, 2006.

² Enormous amount of literature has emerged in the West, not all objective. Today, one of the dominant discourses is how to reform the Muslims societies. Never in modern history, so much attention has been devoted the Muslim societies as after September 11. There is hardly any magazine or journal that has not probed some aspects of the Muslim world.

³ See for instance, Judith Miller, *God has 99 Names: Reporting from a Militant Middle East* (New York: Simon & Schuster, 1996).

⁴ Samuel P. Huntington, "The Clash of Civilizations" *Foreign Affairs* Vol. 72, No. 3, Summer 1993, pp. 22-49.

⁵ *Terrorism: Near Eastern Groups and State Sponsors* (The Library of Congress, Congressional Research Service, September 10, 2001).

⁶ See for instance, John Lewis Gaddis, "A Grand Strategy of Transformation," *Foreign Policy*, No. 133, (November-December, 2002), pp. 50-57.

⁷ Mumtaz Ahmad, "Revivalism, Islamization, Sectarianism, and Violence in Pakistan," in Craig Baxter and Charles H. Kennedy, eds., *Pakistan: 1997* (Boulder: Westview Press, 1998), pp. 101-122.

⁸ See a review of literature produced in Pakistan in recent years. Husain Haqqani, "The Gospel of Jihad," *Foreign Policy*, No. 132 (September-October, 2002), pp. 72-74.

⁹ The case in point is how some of the terrorists who committed suicide attacks in July 2005 in the London subways, and those recently indicted in the terror plot to detonate explosive devices on the trans-Atlantic flights are linked to Pakistan.

¹⁰ *Pakistan: Madrasas, Extremism and the Military*, ICG Asia Report No 36 (Islamabad/Brussels, 29 July 2002). See for instance, Kenneth Katzman, *Afghanistan: Connections to Islamic Movements in Central and South Asia and Southern Russia* (Library of Congress, Congressional Research Service, Report No. RS20411, December, 7, 1999).

¹¹ This view is not really unique to the graduates of the madrasa alone. One find resonance of this view in the works of the founder of Islamic movement in Pakistan, Maulana Moudoodi. See for instance, Vali Raz Nasre,

¹² Ashelly Tellis, "U.S. Strategy: Assisting Pakistan's Transformation," *Washington Quarterly*, Vol. 28, No. 1 (Winter 2004-2005), pp. 97-116.

¹³ For sociological perspective on terrorism, see Michel Wieviorka, translated into English by David G. White *The Making of Terrorism* (Chicago: University of Chicago Press, 1993).

¹⁴ See for instance, Kenneth Katzman, *Afghanistan: Connections to Islamic Movements in Central and South Asia and Southern Russia* (Washington, D.C.: Library of Congress, Congressional Research Service, Report No. RS20411, December, 7, 1999).

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- ¹⁵ Shirin Tahir-Khaili, *United States and Pakistan: An Evolution of Influence Relationship* (New York: Praeger, 1982).
- ¹⁶ Keneth Katzman, *Afghanistan: Current Issues and U.S. Policy Concern* (Washington, D.C.: Library of Congress, Congressional Research Service, Report No. RL30588, June 13, 2002).
- ¹⁷ Dianne E. Rennack, *India and Pakistan: Current Economic Sanctions* (Washington, D.C.: Library of Congress, Congressional Research Service Report No. RS20995, date NA).
- ¹⁸ Lee Feinstein, et al, *A New Equation: U.S. Policy toward India and Pakistan after September 11* (Washington, D.C.: Carnegie Endowment for Peace, Working Paper No. 27, May 2002).
- ¹⁹ Bob Woodward, *Bush At War* (New York: Simon & Schuster, 2002), pp. 58-59.
- ²⁰ "A convincing case" (editorial), *The News* (Rawalpindi), September 20, 2001.
- ²¹ Author's interview with a former DG of ISI, Lahore, October 21, 2006.
- ²² Shahid Javed Burki, "Will aid flow to Pakistan?" *Dawn*, April 23, 2002.
- ²³ Shahid Amin, "Assessing the Bush visit," *Dawn*, March 20, 2006.
- ²⁴ Mariana Babar, "Pakistan expects US to pay in full," *The News*, June 12, 2006.
- ²⁵ Shahid Amin, "Assessing the Bush visit," *Dawn*, March 20, 2006.
- ²⁶ Khalid Hasan, "Pak-US ties moving ahead, says Karamat," *Daily Times*, June 4, 2006.
- ²⁷ "Congress pushes for democracy with aid cut," *Dawn*, June 12, 2006.
- ²⁸ Opposition parties presented a 500 page charge-sheet detailing stories of corruption by Prime Minister, Shaukat Aziz, who is no more than a front-man of General Musharraf in the Parliament and called for no-confidence move. Although the motion was defeated, it has set the stage for emerging confrontation with Musharraf. *Dawn*, August 30, 2006.
- ²⁹ *Dawn*, June 12, 2006
- ³⁰ "Rice's advice," *The News*, June 29, 2006.
- ³¹ Qudssia Akhlaque, "Agreement on framework for strategic ties," *Dawn*, March 5, 2006.
- ³² Pakistani forces have been battling in the troubled tribal areas since the overthrow of Taliban in 2001. After major losses on both sides, Pakistan and the tribes reached an agreement to cease hostilities in September 2006. This accord is being presented as a model for Afghanistan and Nato forces to do the same. See, Pazir Gul, "Waziristan accord signed," *Dawn*, September 6, 2006.
- ³³ A good number of important political parties and figures, and media have opposed military operations in the tribal belt. See for instance, "No alternative to talks," (editorial), *Dawn*, April 22, 2006.
- ³⁴ Harvey H. Smith et al, *Area Handbook of Afghanistan* (Washington, D.C.: U.S. Government Printing Office, 1969), pp. 52-53; Louis Dupree, *Afghanistan* (Princeton: Princeton University Press, 1973).
- ³⁵ See a report by Anwar Iqbal, "Pakistan not doing enough to stop Taliban: Canada," *Dawn*, November 24, 2006.
- ³⁶ David Rohde, "The Battlefield; Pakistan Joins US Cause Cautiously," *New York Time*, September 11, 2002.
- ³⁷ "Indo-US accord termed threat to security: Discrimination unacceptable: FO," *Dawn*, March 18, 2006.
- ³⁸ "Indian N-deal won't affect ties with Pakistan: Bush," *Dawn*, March 22, 2006.
- ³⁹ A. R. Siddique, "Anti-Pakistan gambit in Afghanistan," *Nation*, October 12, 2001.
- ⁴⁰ "A heinous deal," (editorial) *The Nation*, July 3, 2002.
- ⁴¹ Rahimullah Yusufzai, "The stir of echoes," *The New*, August 8, 2002.
- ⁴² *The Nation*, February 9, 2002.
- ⁴³ *The News*, May 6, 2002.
- ⁴⁴ *Dawn*, December 9, 2001.
- ⁴⁵ In August 2002, Pakistan announced donating of 50,000 metric tons of wheat in installments and immediately sent 900 metric tons. *The News*, August 6, 2002.
- ⁴⁶ Sultan Ahmad, "Managing the trade deficit," *Dawn*, February 23, 2006.
- ⁴⁷ Khaleeq Kiani, "Islamabad, Kabul fail to remove trade differences," *Dawn* May 17, 2002.
- ⁴⁸ "Afghan charges to harm war on terror: Kasuri," *Dawn*, May 20, 2006.
- ⁴⁹ "Blaming Pakistan," (editorial), *The Nation*, May 20, 2006.
- ⁵⁰ *South Asia Monitor*, (Washington, D.C.: Center for Strategic and International Studies, Number 75, October 1, 2004).
- ⁵¹ "There is much to gain mutually," *Frontline*, Vol. 23, Issue, 16, Net, accessed, September 3, 2006. See Musharraf's interview with A. G. Noorani.

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- ⁵² M. P. Bhandara, "The sky is the limit," *Dawn*, Septmeber 3, 2006. Gives brief details of the failed bilateral initiatives and fresh account of proposals on autonomy of Kashmir region as a permanent solution.
- ⁵³ K. Shankar Bajpai, "Untangling India and Pakistan," *Foreign Affairs*, May-June, 2003.
- ⁵⁴ *Dawn*, January 6, 2004.
- ⁵⁵ *Human Security in South Asia* (Islamabad: Mahbub ul-Haq Center for Human Development, 2006).
- ⁵⁶ The defence burden of India and Pakistan calculated as percentage of the GDP has marginally come down. Indian defence burden has decreased from 2.2 in 1995 to 2.1 in 2003, and Pakistan's from 5.3 to 4.4. But the defence budget of Pakistan during this period has doubled and India's has almost quadrupled. See, *SIPRI Yearbook: Armaments, Disarmament and International Security* (New York: Oxford University Press, 2005), pp. 352-365.
- ⁵⁷ Musharraf's speech of January 2002 Not allow any group to stage attacks from Pakistan territory.
- ⁵⁸ "Musharraf calls for debate on Kashmir options", *Dawn* October 26, 2004.
- ⁵⁹ *Dawn*, November 21, 2004.
- ⁶⁰ Musharraf's interview with A.G. Noorani, *Frontline*, op. cit.
- ⁶¹ For the early period of Pakistan-China relations, see the following works: Anwar H. Syed, *China and Pakistan: A Policy of Entente Cordiale* (Berkeley: University of California Press, 1974).
- ⁶² *Direction of Trade Statistics Yearbook 1999 & 2005* (Washington: International Monetary Fund, 2006).
- ⁶³ For these figures I am indebted to Dr Ahmad Rashid Malik, *Pakistan's Vision East Asia: Pursuing Economic Diplomacy in the Age of Globalisation in East Asia and beyond* (Islamabad: Islamabad Policy Research Institute, 2006), pp. 80-81.
- ⁶⁴ About 1,300 Pakistani students are pursing higher education in Australian universities. Malik, *op.cit.*, p. 77.