

## **Towards the Resolution of Kashmir Dispute: Potential Areas of Economic Cooperation and Dividends**

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### **Abstract**

*The lingering issue of Kashmir has virtually made the peace and prosperity of South Asia a hostage, which is considered the poorest and the most militarized region of the world. One fifth of the humanity and forty four percent of the poor live in this part of the world. It has been estimated that around \$300 billion per year are spent by South Asian nations and China on military expenditure. Three nuclear states; China, Pakistan and India, are neighbouring each other, with a history of conflicts and wars. Kashmir has decidedly been the major cause of conflicts between Pakistan and India. The efforts and approaches to resolve Kashmir dispute have their own history. Economic approach to help resolve the issue of Kashmir has also been explored in the past, particularly in recent years, after rapid globalization. The paper in hand argues that the resolution of Kashmir dispute can accrue enormous dividends to the people of South Asia and the world at large. It can result in integration of the entire region, linking it with the rest of the world, which would ultimately render the Westphalian state structures irrelevant, by putting the stakes of all nations of the region together. Kashmir issue cannot be sidelined. An economic approach to conflict resolution provides the space to move on the road, which leads to peace and prosperity, provided the leadership, academia, civil societies and government functionaries in South Asian countries are able to rise above stereotypes and think about the collective good of the humanity in this part of the world.*

**Keywords:** Kashmir dispute, Conflict resolution, Economic cooperation, Indo-Pak relations

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### Introduction

The state of Jammu & Kashmir can serve to provide unique opportunities to all stakeholders, including the people of Kashmir, to engage in 'a win-sum game' rather than a 'zero-sum game', if the leadership, academia, civil societies and Government functionaries in South Asian countries are able to rise above stereotypes and think about the collective good of humanity. This reality can hardly be denied that the prosperity of South Asia, particularly the Subcontinent, has virtually been hostage to the Issue of Kashmir for the last 66 years. Kashmir dispute, erupted as a simple issue of territorial adjustments in accordance with the principles of Partition Plan 1947, has become a monster for the peace, stability and prosperity of South Asian region, which did not let this region realize its full potential. Pakistan and India have fought three full scale wars (1948, 1965 and 1971) and one limited war (1998), mainly due to this dispute. The risks of a nuclear conflict between these neighbours, though placated by the politicians and establishments in both the countries, are real than imaginary, as indicated by the renowned scientists and experts, and they entail dangerous consequences.<sup>1</sup> Numerous efforts have been made in the past decades to find solution to the issue of Kashmir, but without any tangible progress. The entire debate had been centered on the so called principled stands of Pakistan and India, concerning territoriality, sovereignty, equality and moral legitimacy.<sup>2</sup> It is assumed that these hotly contested national stances are more for domestic short term politicking, rather than being limitations on choices, which the illiterate or semi-literate populace of both the countries is willing to acquiesce. Had the people of Pakistan and India not been conditioned to those so called hardened political stances, they would have been able to understand the potential benefits of peace and economic prosperity vis-à-vis Kashmir dispute and they might have solved it either way much earlier and, thereby, mitigated the bedeviling impact of this long-standing dispute on the progress and development of South Asian region. Dr. Maleeha Lodhi very aptly and passionately advocates that "the peoples of South Asia urgently need to overcome the bitter legacies of the past in order to create an enabling environment for peace and security, which is critical to unleash the collective creative energies, necessary for economic progress."<sup>3</sup>

The centrality of Kashmir dispute in the South Asian security quagmire as well as any progress towards some sort of regional cooperation can hardly be denied. It would be too

simplistic to give a single reason, which is mainly responsible for the lack of regional integration of South Asia. But, if one has to isolate the one, it is the non-resolution of Kashmir dispute. Kashmir issue has impacted negatively on all potential fields of mutual cooperation. The Indian approach to sideline Kashmir issue and, somehow, pursue the path of economic cooperation did not yield positive results. It is now strongly felt that unless the countries of the region, particularly Pakistan and India, develop the requisite political harmony, they cannot possibly agree on concessions on mutual trade and commerce, which is generally taken in each country as equivalent to surrendering national sovereignty. It is time that the Governments of Pakistan and India and more importantly intelligentsia, media and world community should work to promote positive thinking and help manage perceptions in both the countries, to bring home the importance of peace, development and prosperity for a large portion of the humanity living in this part of the world. There are numerous study reports, compiled by unbiased and competent researchers, which reveal a great deal of potential of South Asian region to advance at a rapid pace, provided some sort of politico-economic integration of the region could be materialized. Not only Pakistan and India stand to gain from such type of integration, but it would also result in world-wide uplift of the people from the existing state of an abysmal poverty.

The paper in hand aims at analyzing the economic benefits of resolving Kashmir the dispute - provided it is done with a sense of justice and fair play – and highlighting the need for some sort of agreement among South Asian countries about durable peace and security, so that, in result thereof, the much awaited economic cooperation, joint developmental programmes and mutual social exchanges can take place. Grounded in various theories of Economics, particularly ‘developmental approach’, ‘basic needs theory’, ‘aggression-frustration theory’ and Rawls’ Theory of Justice, the paper argues that Kashmir Issue needs to be seen as a human tragedy, rather than a territorial dispute, which is fast becoming an epicenter of regional conflicts, posing serious and perpetual threats to the lives of millions of people, besides dwindling economic resources, which need to be spent on the amelioration of the lives of the people.

*“The twin phenomena of strategic peril and economic promise pose a daunting challenge, one that must be met for South Asia, to be in sync with great global transformations. There can be little doubt about the economic and trade benefits that would*

*accrue to the global economy from a peaceful and stable South Asia, as indeed a promising dividend for the people in the region.”<sup>4</sup>*

### **Economic Approach to Conflict Resolution**

There is a plethora of literature on economic theories of conflict management and resolution. The idea that economic cooperation promotes peace can be traced in the work of classical liberal thinkers. The French political philosopher, Charles de Secondant, the Baron of Montesquieu (1689-1755), said that “the natural effect of commerce is to bring peace. Two nations, which trade together, renders them reciprocally dependent: if one has an interest in buying, the other has in selling, and all unions are based on mutual needs.”<sup>5</sup> Ludwig Von Mises, a famous Austro-Hungarian Economist (1881-1973), was one of the ardent defenders of capitalism. He argued that “the Government interference was the main reason for the eruption of conflicts among nations. This interference, more specifically by imposing trade and migration barriers and engaging in mercantilism, spurs conflicts, for which the solutions are hard to come by.”<sup>6</sup>

Most of these theories stem from capitalist philosophy of free market economy. Adam Smith (1723-1790) and David Ricardo (1772-1823) provided the foundations, on which liberal economic and political theories were based. Trade, according to them, is a win-sum game for all stakeholders, as it provides with the space to benefit from comparative advantages. By engaging in mutual trade, nations improve upon the well being of their people, for they are able to purchase the goods, whose production is cheaper elsewhere, while expanding the markets for their own products. The lesser the Governments intervene in the free trade, the better the results would be. Adam Smith’s concept of invisible hand in the correction of market failures is taken for granted even in modern capitalist driven economies. The theory of ‘interdependence’ originates from this conceptual paradigm, which propounds that the economic integration of nations puts their stakes together. The mutual economic stakes would help them to resolve their conflicts, at the best, or at least, force them to manage the conflicts. The concept of trade diplomacy emerged from there in 19<sup>th</sup> Century, commonly known as ‘Cobdenism’, named after its proponent, Richard Cobden, the British statesman and economist. Cobden took up the case of trade as a ‘moral issue’, which implies that it is the right of the people to exchange the fruits of their labour unhindered and, consequently, the trade has the power “to

draw men together, thrusting aside the antagonism, race, creeds, language and uniting them in the bonds of eternal peace..”<sup>7</sup> The desire to avoid a waste of the resources of the nation was at the bottom of Cobden's abhorrence of war. He made it his business to keep before the national mind his belief that war could never confer a material advantage, and that whatever else wars did, there could be no question about it that they injured the poor.

One of the most cited theories in the modern literature on conflict resolution is from John Burton, an Australian economist and diplomat. Being dissatisfied with traditional diplomacy in the resolution of inter-state conflicts, he came up with the ‘Human Needs Theory’. Needs theory states that deep-rooted conflicts are caused by basic needs, such as security, identity and recognition. The theory differentiates between ‘needs’ and ‘interests’. Since ‘interests’ are primarily for material goods, these can be traded and negotiated, whereas, the ‘needs’ can neither be traded nor bargained. Once a people identify themselves as a separate entity, based on certain philosophy or value system, manifested in socio-cultural symbols, it is hard to satisfy or woo them by anything less than recognizing their right to exercise free choices in the matters of their individual as well as collective lives. The Indian policy makers, taking a clue from the trade diplomacy, have been honed in the concept of trade promotion with Pakistan, with a deep-seated belief that the promotion of trade would overtake the fervour of Kashmiri people for the right of self-determination, enshrined in the Indian Independence Act and promised in the UN Resolutions. They think that Kashmir Issue would somehow be dissipated and diluted. Oli Brown team, therefore, rightly concludes that “trade alone is not sufficient to resolve conflicts. Many other variables contribute to creating an atmosphere of peace and stability. Economic gains are not enough of an incentive to avoid conflicts, but they can help. The on-going conflict over Kashmir between Pakistan and India illustrates how trade flows are effectively hostage to the conflict. This unresolved dispute prevents both regional integration and cooperation; profound nationalistic sentiment has made bilateral reconciliation difficult, and the dispute thus far resulted in three armed conflicts and three crises. The severity of dispute makes it ‘the single largest constraint’ for regional aspirations.”<sup>8</sup> Kashmir, therefore, emerges as a classic case of yet another theory i.e. ‘Aggression-Frustration Theory’, which propounds that the inefficiency and inadequacy of state systems to address the grievances of the people results in frustration among the people and a protracted state of frustration

and despondency among the masses causes aggression, which may take the form of violent behaviours. The insurgency in Indian Held Kashmir (IHK) needs to be seen through this prism as well.

Finally, we can relate the Rawls' Theory of Justice to the resolution of Kashmir Conflict. "Justice is the first virtue of social institutions, as truth is of systems of thought."<sup>9</sup> The Rawls' Difference Principle says that the social order is not to establish and secure the more attractive prospects for those who are better off, unless doing so is to the advantage of those who are less fortunate.<sup>10</sup> It implies in the case of Kashmir that 'since the people of Kashmir have been disadvantaged for the last 66 years, the natural justice demands that their aspirations and rights may be taken into account in the final outcome of any settlement on Kashmir'. Applying the Rawls' theory of justice, Dr. Riffat aptly points out, "given the fact that Kashmiris are the most disadvantaged party to the dispute, their individual and collective rights in a future India-Pakistan peace deal can only be safeguarded, if they are approached from the 'difference principle' of Rawlsian theory."<sup>11</sup>

### **Wastage of Scarce Economic Resources on Military Expenditures**

Wars, conflict and violence have been pandemic to South Asia, a region comprising one fifth of the humanity, leading many experts and analysts to call it 'the most dangerous place on earth'.<sup>12</sup> The security dilemma of South Asia, primarily caused by the non-resolution of Kashmir Issue, is sapping the foundations of the South Asian countries, particularly Pakistan and India, which are dwindling huge resources on military expenditures, instead of economic progress and development. Both the countries increased last year their military budgets by 15.7% and 21% respectively, amounting to \$6.3 billion in the case of Pakistan and \$38.6 billion in the case of India per annum. India is, in fact, now in the top fifteen military spenders in the world (Figure-1). It indicates the paradox of Indian growth miracle; that whatever progress India has made in the economic sector in the last two decades, the same was doled out for military imports. India is now the largest importer of weapons and military hardware in the world. Dr. Lodhi, the former Ambassador of Pakistan to the United States, expresses her concern about growing Indian military expenditures in these words:

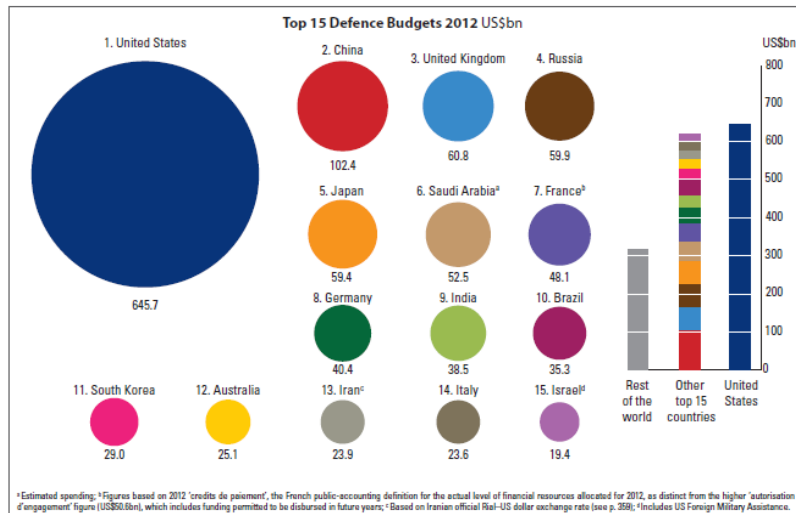
*"If the past is any guide, the future is fraught with risk. Within a year of its nuclear explosion, India unveiled an ambitious nuclear doctrine i.e. 'Cold Start Doctrine'. The fact that it also*

*increased its massive defence budget by 28 percent – an increase larger than Pakistan’s entire defence budget – to fuel its indigenous strategic and conventional programmes as well as military acquisitions, demonstrates that New Delhi is already working to implement this strategic doctrine.”<sup>13</sup>*

China, another economic giant located in the proximity of South Asia, is the second largest military spender in the world, spending \$115.7 billion.<sup>14</sup>

Figure-1: Comparative Military Expenditures of Top 15 Spenders in the World

### Comparative defence statistics



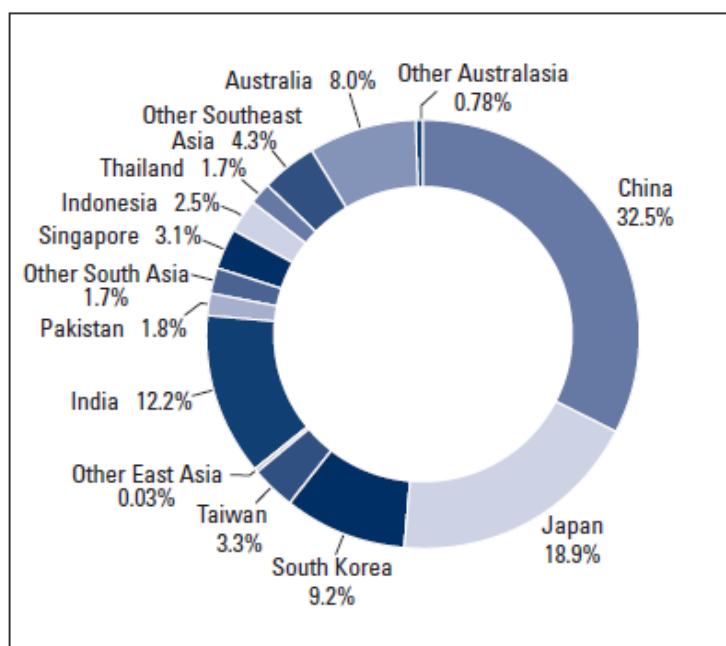
Source: *The Military Balance, Chapter Two: Comparative Defence Statistics*, Published online: 14 Mar 2013, accessed through <http://www.tandfonline.com/loi/tmib20>.

Over all, South Asian nations and China are spending about \$350-400 billion on defence related expenditures every year. The International Military Balance surveys the state of defence expenditures of China and South Asia in the following words:

*“China’s defence developments are fuelled by continuing military spending and substantial increases, with an 8.3% increase in real defence spending between 2011 and 2012. In Asia as a whole, real defence spending rose by 2.44% in 2011, and the pace accelerated to 4.94% in 2012. Indeed, 2012 saw Asian defence spending (at current prices and exchange rates,*

and excluding Australia and New Zealand) overtake that of NATO European states for the first time.”<sup>15</sup>

Figure-2: The Trends of Military Spending from 2011 to 2012



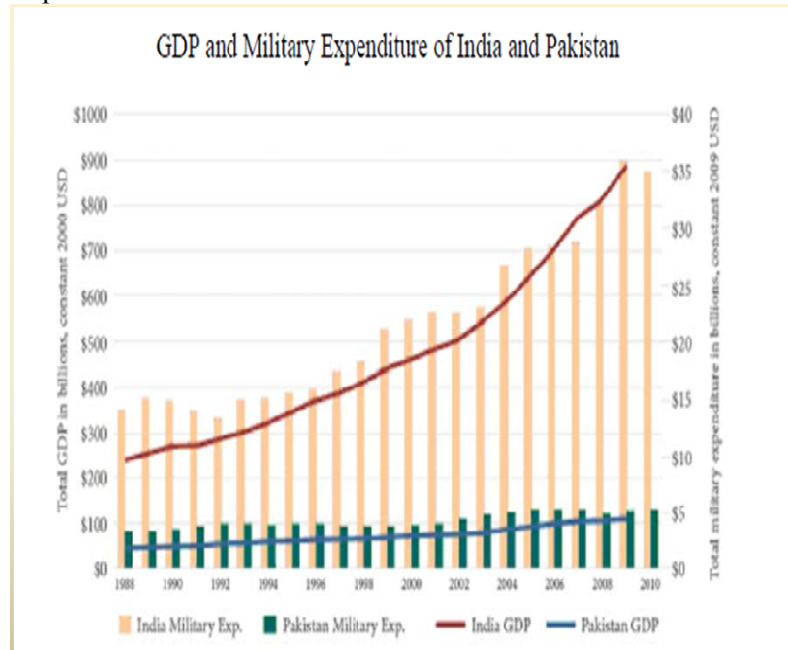
Source: *The Military Balance, Chapter Six: 'Asia'*, Published online: 14 Mar 2013, accessed through <http://www.tandfonline.com/loi/tmib20>. These are percentages of total spending of Asia in 2011 and 2012.

Pakistan's military expenditures have, by and large, been constant for the last two decades (Figure-3), but even these could be directed towards the betterment of the lives of people, if there were an atmosphere of peace and stability in South Asia. The insightful Indian analysts point out, without failing, that the persistent increase in defence budgets does not make Pakistan and India more secure. In fact, the reverse is true.

*"In a classic illustration of the security dilemma, the Indian preponderance has led to greater Pakistani insecurity. The almost constant Pakistani search for security against the perceived Indian threat has, in turn, created insecurity for India. Both arms races and international crises in the region owe a great deal to the mutual insecurities created by this attempt to achieve security through military strength."*<sup>16</sup>



Figure-3: A Comparison of GDP Growth and Military Expenditures of Pakistan and India 2000-2009



Source: *An Introduction to Pakistan's Military*, Belfer Center for Science and International Affairs, 2011.

European countries, in contrast, have made significant progress towards the reduction of military expenditures, mainly due to evolution of collective security arrangements. Europe fought wars after wars, including the two most devastating World Wars ever witnessed by the mankind, mainly due to narrowly defined national interests. The lesson they learnt was to put an end to the wars and join hands to usher in an era of collective progress, development and prosperity. The process of economic integration was taken as a panacea for conflicts. The leaders in the post World War-II Europe emerged as statesmen and evolved a system of collective security, wherein no one could suspect the intentions of the other. At the end of Cold War, the Westphalian state structures were further replaced by 'secure but open borders', where the movement of men, knowledge and the goods of collective utility could be continued unhindered. South Asia in comparison, somehow, pre-empts any sort of regional cooperation, which could foster an atmosphere of peace and tranquility.<sup>17</sup>

The prudence demanded that the scarce natural and human resources should have been spent for the collective good of the

humanity, what ensued instead was the race for armament, resulting in piling up of conventional and unconventional weapons, atom bombs, and huge standing armies, which consume the major chunk of economic resources, leaving little room to ameliorate the plight of the people of this region. It is, therefore, not surprising that South Asia is the poorest and yet the most militarized region in the world.<sup>18</sup> “We need today a new concept of human security”, said Dr. Mahbub ul Haq as earlier as in 1995, “the security reflected in the lives of the people, not in the weapons of their countries. Human security is not a concern with weapons. It is a concern with human dignity.”<sup>19</sup>

### Deplorable Human Development Indicators in South Asia

Asia is a home to over 4.4 billion people; approximately a quarter of the humanity lives in this part of the world. According to World Bank’s latest estimates about 649.6 million people in the South Asian region survive on less than \$1.25 a day and they make up 46% of the developing world’s poor (Figure-4).<sup>20</sup> This rampant poverty is in spite of the fact that there has been substantial economic growth in South Asian countries for the last two decades. Illiteracy, hunger, diseases and natural catastrophes have been wide-spread in this region, which are sufficient to make the lives of the people hell on the earth, let alone wars, proxy wars, sabotages and unabated violence, which are fast converting this region to a non-livable habitat.

Table-1: Population of South Asia Living Below Poverty Line

Country	Total Population in 2011 (in Millions)	Population Living Below Poverty Line (in Millions), 2009 i.e. on less than \$1.25	Percentage of the Population Living Below Poverty Line	Human Development Index (HDI) Ranking, 2011
India	1241	516.4	41.6	134
Bangladesh	150.7	74.3	49.6	146
Pakistan	176.9	40.0	22.6	145
Nepal	30.5	16.8	55.1	142
Maldives	0.3	4,500	1.5	109
Bhutan	0.7	(not available)	26.2	141
Afghanistan	32.4	n.a.	n.a.	172
Sri Lanka	20.9	2.0	7.0	97

Source: Gouranga Lal Dasvarma, ‘Population And Environmental Issues In South Asia’. South Asian Survey, 2013 10th Edition.P.64.

The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives. It should aim at enlarging the choices of the people.<sup>21</sup> The development in Pakistan and India did not help a large portion of their populations to better their lives. The South Asian countries, barring Sri Lanka, are at the bottom in all human development indicators vis-à-vis education, health, human rights, gender equality, child protection and environment. They may, however, be slightly better than Sub-Saharan countries. The largest HIV/AIDS affected population has been reported in India, whereas, Pakistan and Afghanistan have been declared the fast affected regions from Malaria and Polio. The number of malnourished children in the region as a whole rose from 283 million in 1990 to 314 million in 2005.<sup>22</sup> The official statistics of South Asian countries indicate that 21.6 million children, aged between 5 to 14 years, are in the working class, whereas, they should be in schools.<sup>23</sup>

There is a huge unemployed young population in South Asia, which is vulnerable to negative tendencies, including crimes and terrorism. Food insecurity is yet another fault line of South Asian region. According World Food Programme Report 2012, around one billion people go hungry every day in the world; the large portion of them belongs to South Asia. There is a serious inequality in land and income distribution. The food shortage per se is not a problem at present, but the buying power of the poor is the most inhibiting factor.

The existing human development indicators pose a serious challenge to the South Asian nations, particularly Pakistan and India. In a rapidly globalized world, the choices are simple: continue with current approach and experience the gradual decay and entropy, or come out of the 'security fixes' and join hands for a better and prosperous future.

*"The battle for human development is going to be won or lost in Asia, because that is where 70% of the developing world's people live. It is essential today that South Asian economies prepare their own national human development strategies, cost them fully and reflect them in their investment and budget frameworks. They should consider freezing their military spending, to release additional resources for human development."*<sup>24</sup>

This all will, however, never happen, unless the leadership in Pakistan and India is able to move at an accelerated pace to resolve all the irritants in the way of their mutual relations, in tandem with

progress on economic integration, increased social contacts and joint research and development programmes.

### **Economic Impact of Pakistan-India Dispute on the State and People of Kashmir**

The state and the people of Kashmir have suffered the most, due to non-resolution of Kashmir issue. It is ironic that people of the very state, which is at dispute, were excluded from the debate to decide their future, once the British handed over the state to Dogra Maharaja Gulab Singh in 1846, and now in 21<sup>st</sup> Century, again they do not have the right to decide, as to how they want to spend their lives. The state's natural beauty and serenity, ecological balance, natural resources, flora and fauna, and most importantly, the people stand tormented and ruined. The South Asian Economic Survey 2013 portrays the state of Indian Held Kashmir (IHK), in the following words: "the economic potential of Jammu and Kashmir is stunted by the political trouble, which deters investment as well as costing physical damage, although military expenditures contribute to the size of the economy." The writer of this paper hails from the area, which lies exactly on the Line of Control (LoC) in Azad Jammu & Kashmir (AJK), the part of Kashmir under Pakistan's control. Therefore, what is being reflected in this paper is not mere compilation of figures collected from research papers, although an effort has been made to cite the most authentic and unbiased ones. It also reflects the personal experience and observation, being the State Subject. A glimpse of the damage being done to the State of Kashmir, owing to the on-going dispute, is reflected in the following paragraphs:

#### *Natural Resources*

Kashmir is blessed with exquisite natural beauty. It has the world's highest peaks, laden with invaluable glacial reservoirs of water, sufficient forests with rare wild life, enough water resources; if they are well managed, and abundant un-explored/un-exploited minerals. The worst impact of Pakistan-India military confrontation is on the natural resources of Kashmir, which are fast depleting. Owing to employment of over six hundred thousand troops by India and over hundred thousand by Pakistan in Kashmir, there is huge pressure on glacial meltdown. The soldiers on both sides of LoC use kerosene oil, diesel and petrol, which are causing environmental warming. Since kerosene oil has become costly, they chop off thousands of trees every year – this is apart from the damage done by people of Kashmir themselves - which is

rendering the State an extreme damage in the form of deforestation. Mahatma Gandhi warned more than six decades ago, “What we are doing to the forests of the world is but a mirror of reflection of what we are doing to ourselves and one another.”<sup>25</sup>

#### *Lack of Water Management*

The five main rivers - Indus, Jhelum, Chenab, Ravi, Sutlej and Beas - have their origin in the State of Kashmir. Due to non-resolution of Kashmir issue, enormous potential of water preservation and electricity generation goes wasted. Both Pakistan and India are considered the water scarce countries. It is feared that water can turn out to be a major source of Pakistan-India conflict in future. The rivers, which we saw in our childhood in Kashmir, flowing with clean and brimming water, are now becoming streams, containing pollutants and filth. The security dilemma of the Subcontinent does not allow managing, at least, whatever is left with us in the shape of natural resources.

#### *Stalled Developmental Process in Both Parts of Kashmir*

Both parts of Kashmir, particularly IHK, remain under-developed. The South Asian Economic Survey 2013 depicts the following dismal picture of the IHK. Kashmir is the poorest state of the Union, but larger than that of seven other states. It has the lowest density of roadways in India. There is no railway link beyond Jammu, even to the capital Srinagar. Security considerations have limited the development of telecommunications, as the security forces were not ready till mid 2003 even to consider allowing cellular telephone network (mobiles) in the state. The literacy rate in 2011 was 68.7%. The state's economy is agriculture-dependent and industry provides only 5.7% of the GDP.<sup>26</sup> Debitta and Seema<sup>27</sup> have portrayed the deplorable condition of IHK in these words:

*“J & K never fared among the most developed states of India. The costs of the conflict have been increasingly unbearable for all involved. According to official estimates (Indian), some 40,000 lives have been lost since the onset of insurgency in 1989, though other estimates put the toll much higher. Large scale displacements from different parts of the state is an integral part of Kashmir conflict. An estimated one million people have been displaced. Other humanitarian costs include negative impact on women and other vulnerable groups and a noticeable increase in the psychiatric problems of the victims. For instance, the number of patients visiting hospitals in Srinagar for psychiatric disease in 2003-2006 amounted to*

*staggering 45,000. The conflict has also cost Indian Government heavily in terms of the deployment of security forces as well as financial responsibilities. The economic cost of the conflict cannot be confined to a particular sector of industry or investment prospects. It has affected important sources of the livelihood of the local people, such as tourism, horticulture and handicraft industries. Tourism, one of the main industries in Kashmir Valley, has suffered tremendously due to violent activities. It has decline substantially since the late 1980s. The number of tourists visiting the state per year had gone down from around 70, 00,000 in the pre-insurgency days to a few thousands in the following years. It is estimated that the State lost 27 million tourists from 1989 to 2002, leading to revenue loss of \$3.6 billion.*<sup>28</sup>

The condition of Azad Jammu & Kashmir (AJK) is slightly better than IHK, as far as developmental indicators are concerned. AJK is the most peaceful part of Pakistan, safe from terrorism, sectarian violence and internal unrest. It has the best literacy rate, as compared to any other province in Pakistan. The electricity, schools and colleges are available even in the remotest areas of AJK, except the areas closer to LoC, where human development indicators are simply poor. Everything is, however, not fine even in this part of the State as well. Owing to the principled stand of Pakistan on Kashmir – it is a disputed territory, whose fate is to be decided by the people of Kashmir in a free and transparent plebiscite under the auspices of United Nations – the people of AJK do not have any representation in the Parliament of Pakistan, therefore, they have no say in the formulation of national policies, including the policies on Kashmir. Similarly, the financial assistance to AJK is decided on year to year basis and there is no specific criterion to determine as to how much developmental funds should be provided to the Government of AJK. It causes a sense of deprivation and alienation in AJK, particularly among youth. The leaders of AJK, particularly Sardar Abdul Qayyum Khan and Sardar Atiq Ahmed Khan<sup>29</sup>, the former prime ministers of AJK, had strongly been advocating over the years that, though there had never been any ambiguity in the minds of the majority of people of Kashmir about their natural affinity and homogeneity with the people of Pakistan, yet this allegiance should not be taken for granted and the successive governments in Pakistan should stay focused on the issue of Kashmir lest they lose the advantage, which the veterans of Kashmir movement have offered them on a platter.<sup>30</sup>

*Continued Insecurity and Uncertainty*

The people of Kashmir, on both sides of LoC, live in a perpetual state of insecurity and uncertainty. They suffer from an acute sense of deprivation, frustration, identity crisis and lack of any hope for future on their own. They waited for too long, pinning their hope in the UN Resolutions of 1950s; which promised them a chance to decide their future. Then, they picked up arms in 1990s, laid down over 90,000 lives in the hands of Indian forces. India, taking advantage of 9/11, has not only fenced the entire LOC, but also littered around hundreds of thousands of land-mines<sup>31</sup>, both anti-tank and anti-personnel, on breadth and length of LoC. Kashmiris are now in a new phase of struggle, which is non-violent in nature but ferocious in passions. It appears that both Pakistan and India are misreading or under-estimating the strength of their struggle. If justice is not done to the people of Kashmir, this struggle can take any shape, which may not auger well for peace and stability of South Asia and the world at large.

**Resolution of Kashmir Dispute – The Potential Areas of Economic Cooperation and Dividends**

The researcher is of the view that true economic potential of South Asian region is yet to be exploited. This region has never found a conducive geo-political and geo-economic environment, which could allow it to emerge as a prosperous part of the world. The space of the paper does not allow digging deep in the history and presenting the colonial mind-set about economic dependency of the native Indians. The political imperialism might have died down, but the region has yet to emancipate itself from chronic economic dependency. Just to allude, South Asia is the biggest importer of the US and European arms and ammunition. It is also under unbearable international debt burden. How long the region would continue on this path, the leaders of South Asia have to decide. There is no extraordinary wisdom required to understand the potential benefits of, at least, embarking upon the path to peace and tranquility. What is required, indeed, is the sincerity of purpose and no more betrayals. “No big bang change in South Asian geo-political environment can be expected”<sup>32</sup>, as rightly remarked by the Indian High Commissioner to Pakistan. What Pakistan and India and other South Asian nations can do are the small steps, which would lead to rapid normalization of relations and integration of the region. Sardar Atiq’s concept of ‘process versus product’ is equally illuminating. He said that “the general tendency in Pakistani and Indian approaches to address mutual

disputes, particularly Kashmir Issue, is that we jump to the conclusions. What is required instead is to focus sincerely on the 'process of dispute resolution'. If the processes are correct, the products would naturally be of a quality and acceptable to all stakeholders. If we impede the process right at the outset, we cannot even expect the emergence of any output, let alone the quality products.<sup>33</sup> If intensions are positive, a progress can be made in all three dimensions, in tandem: one, the conflict management, by holding serious talks among all South Asian nations and China about security situation in this region and, thereby, reducing the risks of wars; two, conflict resolution, by engaging in process of sustained dialogue with all stakeholders in Kashmir, in order to help resolve this issue on the basis of justice and equity; three, economic integration of the region, by focusing on the following a few potential areas of economic cooperation, particularly in and around the State of Jammu and Kashmir:

*Declaring Kashmir as a 'World Ecological Heritage'*

As highlighted in the preceding paragraphs, the state of Kashmir possesses some of the unique features in the world. Kashmir has the world's most beautiful natural landscape, for which it is generally called as 'Paradise on Earth'. The world's top three mountain ranges Himalaya, Karakorum and Hindukush are located in Kashmir.<sup>34</sup> Some of them are laden with precious reservoirs of water in the shape of glaciers, which are fast depleting, mainly because of the presence of Pakistan-Indian forces, apart from other global warming factors. Pakistan and India should take bold steps to sign an agreement and withdraw their forces to the positions prior to Siachin Dispute i.e. where they were in late 1970s. Similarly, India should drastically reduce its forces from IHK and vacate orchards, forests and Government buildings occupied by them. Both Pakistan and India should strictly put a ban on their soldiers in order to stop them from chopping off trees, which they are using as a fuel. Governments of AJK and IHK need to do away with the parts of Forest Departments, which they use for generating state revenues, by chopping off precious trees, like timber, nuts and deodar etc. The UN and international community should work towards the conclusion of agreements to declare Kashmir as a 'World Ecological Heritage', so that whatever is left in the Nature, in the form of forests, wild life, flora and fauna, as well as the water reservoirs, should not only be protected but also promoted.



*Joint Water Management Projects*

Both Pakistan and India are water scarce countries. We come across repeated allegations and counter-allegations about violation of the Indus Basis Treaty, which mainly deals with the rivers originating from Kashmir. It would be highly prudent approach to work out the plans under the auspices of UN and international donors, which should be undertaken jointly by Pakistan and India on both sides of LoC, so that an effective mechanism for management of available water can be evolved. Once both the countries and the world community at large fear the risks of a war on water between Pakistan and India - the nuclear states - why no initiatives are taken to push both the states for mutual agreements, and thereby, joint management of water is beyond comprehension.

*Joint Electricity Generation Projects*

The natural corollary to joint water management would be the joint electricity generation projects. India has gained a substantial experience in the generation of electricity, especially with cheap imports from China, as alluded to by Indian High Commissioner as well.<sup>35</sup> This is one area that the UN and international donors can help in a big way to invest in joint electricity generation projects, particularly in the State of Kashmir, which on completion can be handed over to the governments of both parts of Kashmir, with a joint controlling mechanism.

*Tourism*

“There are virtually too little tourists’ exchanges in South Asia, particularly between Pakistan and India.”<sup>36</sup> The Subcontinent is extremely rich in historical heritage, ancient civilizational effects and exquisite geographical landscape. Kashmir itself is called ‘the Switzerland of Asia’. Owing to continued dispute on Kashmir, this beautiful state is still out of sight for the people of the world. It deprives the people of Kashmir, on both sides of LOC, of a genuine source of income and the visitors the most beautiful resorts to relish in their leisure moments. It is again a potential area of joint cooperation between Indian and Pakistan, on which a rapid progress can be made. All road and railway links between Pakistan and India need to be opened, with a relaxed visa regime/permit system. At least, it should be done in the state of Kashmir without delay.

*Special Infrastructure Projects in Kashmir*

The state of Jammu and Kashmir, as a whole, and the people of the state are the worst victims of India-Pakistan confrontation. Large portions of the population, particularly closer to LoC, live in a miserable state and abject poverty. Scarcity of roads, hospitals, educational and vocational institutions, and venues for honorable means of earning impinges upon their lives heavily. Sixty six years of a dispute are enough to make a community sick of hostile environment. It is the reason that a large scale displacement has taken place in IJK and migration to various cities of Pakistan from AJK, particularly after the October 2005 Earthquake. Let the world bodies, like the UN and international human rights groups, take cognizance of human development indicators of the state of Kashmir, especially in the areas closer to LoC, and sponsor projects for the development of infrastructure, hospitals and schools. The progress needs to be made at an accelerated pace with the involvement of all stakeholders, to start with special developmental packages.

*Promotion of Trade in Complementary Goods*

One of the reasons for low trade between Pakistan and India is that most of the items on trade list fall in the category of competitive goods. Hence, the traders, particularly of Pakistan, fear that in case of free trade, their markets would be saturated with the products of other countries, rendering the local products un-sellable. There are a number of areas, where all the countries of the region can find complementary items to trade with each other. For instance, Kashmir offers a great potential for dairy products and other Kashmir specific products. Since the State is blessed with lush green mountains and valleys; it has abundant pastures for livestock breeding. The only hindrance is that the mountains and forests are infested with a large number of army personnel from India, estimated to be over 600,000, besides huge stocks of minefields and mines thrown in open by the Indian army, miles away from their military camps.<sup>37</sup> The potential for investment in the livestock is available in each part of Pakistan, which can really bring about 'White Revolution' of dairy products, which the poor population of South Asia and the world as whole can benefit from. Similarly handicraft, wood-carving and horticulture belong to traditional cottage industry of Kashmir, which is not only fast depleting but also disappearing. The traders from Pakistan and India need to find out avenues for joint investment, in order to give a new lease of life to these industries.

*Disaster Management*

Disaster management is another potential area of mutual cooperation among South Asian nations. The earthquake of the October 8, 2005 in AJK and Hazara Division of Khyber Pukhtunkhwa province of Pakistan should have served as an eye opener for all South Asian nations. T. Rossetto and Peiris<sup>38</sup> reported that “in Pakistan alone 72,763 people died and 68,679 were seriously injured. In total the violent ground shaking caused damage to more than 450,000 buildings, leaving about 2.8 million people without shelter.”<sup>39</sup> Had the Pakistan Army, the people of Pakistan and the international community not moved in to help rescue the people, the death toll would have been much higher and recovery and rehabilitation impossible. It demonstrated clearly how important it is that Pakistan and India empathize in such situations and work collectively. Over 6 00, 000 Indian troops were located a few miles away across LoC from the places of disaster, but they could not offer any help, owing to never ending animosity. If Indian and Pakistani troops can operate together on the African soil, for instance Sierra Leone, under the UN umbrella, what bars them to evolve some mechanism, whereby, they may join hands to help the poor people, at least, in rescue, relief and rehabilitation efforts, in a situation of natural tragedies. The floods in Bangladesh, Pakistan and India in recent years also provide an ample evidence for a need to plan in advance, for mitigating the effects of natural disasters. Earthquakes, floods, droughts and hurricanes are now, as compared to the past, a frequent phenomenon. It is strongly felt that all South Asian nations and even China should work out some joint disaster management mechanism, augmented by allocation of funds, for meeting the challenges posed by natural calamities.

*Moratorium on Military Expenditures*

As discussed earlier, South Asian countries China and Middle East waste over \$350 billion per year on military expenditures. Even if 1/20<sup>th</sup> of these expenditures is spent on the development and prosperity of human beings, the region can lift a large portion of its population from the abyss of poverty. Statistics indicate that Pakistan has frozen its military expenditures, apart from inflationary increases, for the last two decades, whereas, India and China are on the reverse path.<sup>40</sup> One country cannot be expected to go on peace path all alone, if other countries in the region continue their march on the road to militarism and belligerency. It would, therefore, be the most substantial step towards economic uplift of

the region, if India, Pakistan and China may enter into some sort of security pact or, at least, a moratorium on military expenditures, nuclear escalation and, more ideally, moving towards 'no war pact' and reduction of not only military expenditures but also huge stockpiles of arsenal and armies.

### **Conclusion**

The resolution of disputes like Kashmir, where the sentiments of millions of people have been conditioned to particular stances, is never easy. This issue is, however, not intractable, as commonly perceived, because the truth is well known to all stakeholders and so does the legitimacy of the cause. Pakistan and India can move fast towards the resolution of Kashmir dispute, if they both accept the centrality of the people of Kashmir in the issue, as both the nations as well as UN have promised them time and again that they would be provided with a chance to decide their own future.

Kashmir can become a 'Geneva' for South Asian nations, if Pakistan and India shun their narrowly defined concept of national interests and intransigence in their approaches to resolve issues. No extraordinary wisdom is required to understand the potential economic benefits, which can accrue to all the nations, if the issue of Kashmir is settled, somehow on the basis of justice and equity. All the canons of justice indicate that injustice has been done to the state and people of Kashmir, which continues to impact on all spheres of socio-economic life in the subcontinent. Justice is the only principle, which should impel the human conscience to help mitigate the sufferings of the people of Kashmir.

However, a peaceful resolution of the dispute, acceptable to all stakeholders, would need both passion and patience. 'Passion' to see it as a human tragedy, due to which not only the people of Kashmir are suffering, but also the multitudes of people in Pakistan and India and entire South Asia are paying a heavy price. Continued enmity amongst South Asian neighbors and China has put the peace of entire South Asia in jeopardy, apart from wastage of trillions of dollars, which can be spent on the amelioration of the lives of people. It is also a case of passions for the collective good of the humanity. Enormous prospects of development and progress await this region, provided their leadership, academia and media display courage and foresight. In an integrated and prosperous region, the geographical borders become automatically irrelevant and people own and share whatever is good in the entire region. There is also a need for showing 'patience' and belief in the process of dialogue, sticking

to it and pursuing it with vigour and sincerity. That is the only course open to India, Pakistan and the people of Kashmir. Any other means to achieve the ends are fraught with risks of mutual destruction.

### Notes & References

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- <sup>2</sup> Moeed Yusuf, “Exploring the Potential for Economic Development and Cross-LoC Collaboration in Jammu & Kashmir”, Pugwash Issue Brief, 5:1, (July 2007): 1
- <sup>3</sup> Maleeha Lodhi, “Security Challenges in South Asia”, *The Non-Proliferation Review*, (Summer 2001): 118.
- <sup>4</sup> Ibid.
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- <sup>6</sup> Ludwig Von Wises, “Human Action: A Trade on Economics”, 4<sup>th</sup> Revised Edition, (San Francisco: Fox and Milkes, 1996). Quoted by Oli Brown et al., “The Role of Regional Trade Integration in Conflict Prevention”, op. cit., 232-233.
- <sup>7</sup> Ibid., 232-233.
- <sup>8</sup> Ibid., 235 & 249.
- <sup>9</sup> John Rawls, *A Theory of Justice* (Cambridge: Harvard University Press, 1971), 3.
- <sup>10</sup> Ibid., 75.
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<sup>15</sup> The Military Balance 2013, *The International Institute for Strategic Studies*. Available at:

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<sup>16</sup> Sumit Ganguly, Rahul Mukherji & Rajesh Rajagopalan, "India and South Asian Security", *Defence and Peace Economics*, 10:4 (1999): 337.

<sup>17</sup> Chandra D. Bhatta, "Regional integration and peace in South Asia: An analysis", *Peace Conflict and Development Journal*, 5 (2004).

<sup>18</sup> Akmal Hussain, "The Challenges and Drivers of Regionalism in South Asia: The India-Pakistan Peace Process", in Rafiq Dossani, Daniel Sneider, Vikram Sood (ed.), *Does South Asia Exist?: Prospects of Regional Integration* (Stanford University, Shorenstein APARC, 2010).

<sup>19</sup> Mahbub ul Haq, *Reflections on Human Development* (New York: Oxford University Press, 1995), 116.

<sup>20</sup> "South Asian Regional Brief", *World Bank*, September 25, 2012.

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<sup>21</sup> Mahbub ul Haq, *Reflections on Human Development*, loc. cit., 14

<sup>22</sup> Vibhuti Haté & Seth Gannon, "Public Health in South Asia", *CSIS Global Health Policy Center* (2010): 2.

<sup>23</sup> Child Labor Report of ILO 2003.

<sup>24</sup> Mahbub ul Haq, *Reflections on Human Development*, op. cit., 93-94.

<sup>25</sup> Mohandas Karamchand Gandhi quoted in World Development Report, *The World Bank* (2003): 13.

<sup>26</sup> Gouranga Lal Dasvarma, "Population and Environmental Issues in South Asia", op. cit., 358

<sup>27</sup> Debitta Aurobida Mahapatra and Seema Shekhawat have worked extensively in IHK and they have firsthand experience of prevailing conditions in there. Their views on Kashmir contain substance, not tinted with typical biases, which is generally the tendency of India-Pakistan writers.

<sup>28</sup> Debitta Aurobida Mahapatra and Seema Shekhawat, "The Peace Process and Prospects for Economic Reconstruction in Kashmir", *Peace and Conflict Review*, 3:1, (2008): 1-5.

<sup>29</sup> Sardar Abdul Qayyum Khan, the Supreme Head of All Jammu & Muslim Conference, former President and Prime Minister of AJK, is an extremely respected politician and a veteran of 1947-48 Kashmir Liberation War. He is considered an authority on Kashmir Dispute and its intricacies. Sardar Atiq Ahmed Khan, the President of All Jammu & Muslim Conference and former Prime Minister of AJK, has also a deep insight on the Kashmir issue. His views are eagerly sought after, both in Pakistan and at international forums.

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<sup>30</sup> Interview with Sardar Atiq Ahmed Khan by the author and Brigadier Muhammad Khurshid Khan, at National Defense University on July 16, 2013.

<sup>31</sup> The writer personally saw the land-mines, laid without any demarcation, which have caused numerous casualties in Azad Jammu & Kashmir. He also met a number of men and women, who lost their limbs because of these mines. The locations can be shared with anyone, interested seeing them on ground. It is seen as in Kashmir as a clear violation of the UN conventions on the prohibition of land-mines.

<sup>32</sup> Mr. TCH Raghwan, the Indian High Commissioner to Pakistan, delivered an articulated speech on the topic “Stability in South Asia-Indian Perspective” to the participants of National Security Workshop-15, at National Defense University, Islamabad, on December 18, 2013.

<sup>33</sup> Interview with Sardar Atiq Ahmed Khan by the author and Brigadier Muhammad Khurshid Khan, at National Defense University, Islamabad on 16 July 2013.

<sup>34</sup> The people of Kashmir consider the whole of Kashmir, as it existed before the partition of Pakistan and India in 1947, as one state, whose final fate is yet to be decided, by none else but the people of Kashmir themselves.

<sup>35</sup> Mr. TCH Raghwan, “Stability in South Asia-Indian Perspective”, op. cit.

<sup>36</sup> Ibid.

<sup>37</sup> This writer personally came across such mines, being a native of the Kashmir state. A number of retired soldiers from his village reported that they heard Indian officers and soldiers saying in 1971, “even if we quit Kashmir, its land will fight with you for decades.” They were right, because hundreds of people have lost their limbs and lives thereafter. During the insurgency in 1990s, Indian Army has literally littered around hundreds and thousands of mines at the length and breadth of areas closer to LoC, which take the lives and limbs of the poor shepherds, who get closer to LoC, chasing their sheep and goats or cutting grass for their cattle.

<sup>38</sup> Both the researchers participated in relief operations in all affected earthquake areas and collected extensive data on damage caused by the 8 October 2005 Earthquake.

<sup>39</sup> T. Rossetto & N. Peiris, “Observations of damage due to the Kashmir earthquake of October 8, 2005 and study of current seismic provisions for buildings in Pakistan”, *Bulletin of Earthquake Engineering*, 7:3 (2009): 681-699.

<sup>40</sup> These are percentages of total spending of Asia in 2011 and 2012. “The Military Balance 2013”, *The International Institute for Strategic Studies*. Available at: <http://www.iiss.org/en/publications/military%20balance/issues/the-military-balance-2013-2003>.