



**IPRI**  
Building Consensus



**Islamabad Policy  
Research Institute**



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January 2014

**ONE-DAY CONFERENCE**

**Revisiting Kashmir Policy**

Islamabad Policy Research Institute (IPRI) organized a conference titled “Revisiting Kashmir Policy” on January 30, 2014. Ambassador Khalid Mahmood, Member IPRI Board of Governors & Chairman Institute of Strategic Studies, Islamabad chaired the conference. Professor Dr. Tahir Amin, Director, National Institute of Pakistan Studies (NIPS), Quaid-i-Azam University, Islamabad; Professor Dr. Pervaiz Iqbal Cheema, Dean Faculty of Contemporary Studies, National Defence University, Islamabad; and Mr. Khalid Rahman, Director General, Institute of Policy Studies (IPS), Islamabad were the speakers.

Ambassador Sohail Amin, President IPRI, welcoming participants, highlighted the importance of the subject and recent developments in India-Pakistan relations. He said that South Asia’s peace and stability would remain elusive unless Kashmir issue was resolved. He identified Kashmir as the core issue between the two neighbors and a cause of various military conflicts between them. He stated that Pakistan wanted the resolution of Kashmir in accordance with the UN Resolutions. He hoped that after upcoming general elections in India the dialogue process between

Pakistan and India would resume. Dr. Tahir Amin gave presentation on “Kashmir Issue: Political, Social and Economic Dimensions”. Highlighting the significance of Kashmir, Dr. Amin termed it as an unfinished business of partition and a cause of wars between Pakistan and India. He expressed the possibility of future limited war on Kashmir that would have potential to escalate to nuclear conflagration between both countries. While explaining Kashmir issue’s connection with Indian domestic politics, he said that Indian leadership



considered Kashmir as a symbol of Indian secularism and did not show flexibility. He said that Pakistan had adopted a holistic approach that gave priority to the resolution of Kashmir over other issues with India whereas



India preferred a step by step approach that would deal with resolution of smaller issues first, creating conducive environment for the resolution of Kashmir. He said that Pakistan had shown flexibility on various occasions yet conducive environment for resolution of the issue had never emerged. Professor Dr. Pervaiz Iqbal Cheema spoke on “Different Approaches for Kashmir Solution: A Way Forward”. Putting in perspective past bilateral and multilateral initiatives for the resolution of Kashmir — beginning from Jinnah-Mountbatten meeting in 1947 to 2004 Composite Dialogue Process — Professor Cheema opined that India had mastered the  
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**January Highlights**

- One-day Conference  
“**Revisiting Kashmir Policy**”  
January 30
- Guest Lecture  
“**Current Economic Situation of Pakistan**”  
January 23
- IPRI Review Meeting  
“**Security and Development in Balochistan**”  
January 6

**IPRI’s Major Activities in 2013 (July-December)**

**Conferences**

- International conference on “SCO’s Role in Regional Stability: Prospects and its Expansion” on August 28-29, 2013 at Marriott Hotel Islamabad.
- One-day conference on “Revisiting Pak-US Relations” on September 12, 2013 at IPRI Conference Hall.
- International conference on “Towards an Asian Century: Future of Economic Cooperation in SAARC Countries” on November 20-21, 2013 at Islamabad Hotel, Islamabad.
- One-day conference on “Post-US Withdrawal from Afghanistan: Internal and External Dimensions” on December 18, 2013 at IPRI Conference Hall.

**Publications**

- IPRI commissioned following major publications during July-December 2013:
- IPRI Journal Summer 2013 issue was published in August 2013.
  - Conference book on *Transition in Afghanistan: Post Exit Scenarios* was published in September 2013.
  - Conference book on *Rights of Religious Minorities in South Asia: Learning from Mutual Experiences* was published in September 2013.
  - The maiden issue of IPRI Insight, a four-monthly publication was launched in November 2013.
  - Conference book on *Potential and Prospects of Pakistani Diaspora* was published in December 2013.

- “Upgrading Pakistan-SA Relations” by Col. (R).Muhammad Hanif, Research Fellow IPRI, was published in *Daily Times*, January 11, 2014, <http://www.dailytimes.com.pk/opinion/11-Jan-2014/upgrading-pakistan-sa-relations>
- “Pakistan's Strategic Significance for India as a future energy Corridor” by Col. (R).Muhammad Hanif, Research Fellow IPRI, was published in *The Frontier Post*, January 6, 2014, <http://www.thefrontierpost.com/article/66711/Year-of-hope!/>
- “Pak-Turkey time tested Friendship” by Air Cdr Khalid Iqbal , Consultant IPRI, was published in *Pakistan Observer*, January 1, 2014, <http://pakobserver.net/detailnews.asp?id=228685>
- “Challenges & Opportunities” by Air Cdr Khalid Iqbal , Consultant IPRI, was published in *The Nation* January 6, 2014, <http://www.nation.com.pk/columns/06-Jan-2014/2014-challenges-opportunities>
- “Year of Hope!” by Air Cdr Khalid Iqbal , Consultant IPRI, was published in *The Frontier Post*, January 7, 2014, <http://www.thefrontierpost.com/article/66711/Year-of-hope>
- “Bangladesh: Elections and Beyond” by Air Cdr Khalid Iqbal , Consultant IPRI, was published in *The Nation* , January 13, 2014, <http://pakobserver.net/detailnews.asp?id=230338>
- “Nuclear Power Generation” by Air Cdr Khalid Iqbal , Consultant IPRI, was published in *The Nation*, January 20, 2014, <http://www.nation.com.pk/columns/20-Jan-2014/nuclear-power-generation>
- “Tackling Terrorism; Time is of Essence” by Air Cdr Khalid Iqbal , Consultant IPRI, was published in *The Nation*, January 28, 2014, <http://www.nation.com.pk/columns/28-Jan-2014/tackling-terrorism-time-is-of-essence>
- “Urban Violence: A Formidable Challenge” by Air Cdr Khalid Iqbal , Consultant IPRI, was published in *The Frontier Post*, January 30, 2014, <http://thefrontierpost.com/article/71721/Urban-violence-A-formidable-challenge/>
- “Stabilising the Line of Control” by Muhammad Munir , Research Fellow IPRI, was published in *Pakistan Observer*, January 4, 2014, <http://pakobserver.net/201401/04/detailnews.asp?id=229212>
- “Iran's Nuclear Programme” by Muhammad Munir , Research Fellow IPRI, was published in *Pakistan Observer*, January 14, 2014, <https://pakobserver.net/detailnews.asp?id=230323>
- “The Enemies Within” by Usman Ghani, Assistant Research Fellow IPRI, was published in *The Frontier Post*, January 4, 2014, <http://www.thefrontierpost.com/article/66030/The-enemies-within/>
- “New momentum in Pak-Turkey relations” by Saman Zulfqar, Assistant Research Officer IPRI, was published in *Daily Times*, January 5, 2014, <http://www.dailytimes.com.pk/opinion/05-Jan-2014/new-momentum-in-pak-turkey-relations>
- “Dealing With the Energy Crisis” by Saman Zulfqar, Assistant Research Officer IPRI, was published in *Daily Times*, January 17, 2014, <http://www.dailytimes.com.pk/opinion/17-Jan-2014/dealing-with-the-energy-crisis>
- “Negotiations with Taliban give opportunity for Pakistanis to escape militancy” Aftab Hussain Assistant Research Office IPRI, was published in *Global Times International*, January 26, 2014, <http://www.globaltimes.cn/content/839507.shtml#.UvC8KD2810A>
- “Drawdown Conundrum In Afghanistan” by Muhammad .Nawaz Khan, Assistant Research Officer IPRI, was published in *The Frontier Post*, January 26, 2014, <http://www.thefrontierpost.com/article/71124/Drawdown-conundrum-in-Afghanistan>
- “Speed is New Stealth” by Muhammad Nawaz Khan, Assistant Research Officer IPRI, was published in *South Asia Analysis Group International*, January 28, 2014, <http://www.southasiaanalysis.org/node/1447>
- “Our Governance Issues” by Muhammad Nawaz Khan, Assistant Research Officer IPRI, was published in *The Frontier Post*, January 28, 2014, <http://www.thefrontierpost.com/article/71475/Our-governance-issues/>

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evasion technique to avoid the unfavorable situations. Highlighting the futility of multilateral approach, he asserted that outside powers had their own interests. He said that India always used military means to resolve the conflict. He said that five factors that hindered the progress were: baggage of history, different concepts of security, domestic developments, images and perceptions. He suggested that to resolve the Kashmir issue, changing realities in Kashmir should be recognized, sentiments of Kashmiris should be respected, attitude and approaches should be made flexible, each other's sensitivities should be considered, soft border approach between AJK and IHK for interim relief should be adopted for about four years before negotiating the grand bargain.

Mr. Khalid Rahman speaking on “Future of Kashmir: Emerging Trends in Indo-Pak Foreign Policy” highlighted the status of Kashmir in the Indian and Pakistani constitutions. He talked about emerging regional trends such as elections in Pakistan, Afghanistan and India including Jammu and Kashmir and discussed the election manifestoes of Indian and Pakistani political parties. He said that all the parties in Pakistan were committed to the resolution of Kashmir issue as a prerequisite for any improvement in India-Pakistan relations. Discussing divergent views of major Indian political parties, Mr. Rahman said that Congress was supportive of dialogue process with Pakistan on Kashmir whereas BJP rejected any possibility of negotiations on Kashmir and terms it as an integral part of the Indian Union. He also mentioned Pakistani Prime Minister's address to United Nations General Assembly where he reiterated Pakistan's stance on the Kashmiris' right to self-determination. He said that public opinion in both states was in favor of good neighborly relations and resolution of conflicts.

Ambassador Khalid Mahmood in his concluding remarks said that composite dialogue had eight items on the agenda and in case of resumption of dialogue process progress should be made on all bilateral issues. He stressed that Pakistan should not compromise its principled position and should put in spotlight the human rights violations in IHK by India.



## Security and Development in Balochistan



Mr. Muhammad Nawaz Khan, Assistant Research Officer gave a presentation on “Security and Development in Balochistan” in a meeting of IPRI scholars held on January 6, 2014. He said that the Baloch resentments could be traced back to the British era. Under highly centralized policies, the British rule ignored development in the province, thus creating socio-economic and political deprivation. Recent deteriorating law and order situation in the province is linked to the on-going war in Afghanistan. However, there has been a sharp decline in violence, terrorism, insurgency and crimes. Army and FC’s performance in earthquake relief efforts is commendable.

Mr. Khan noted that today’s conflict in Balochistan is related to British Sandeman system that enhanced powers of sardars and introduced a new Royal Jirga. Royal Jirga changed the character of traditional Jirga, which used to be a communal court delivering participatory justice in the past. In the new Royal Jirga only sardars and aristocrats could sit. It gave sardars unlimited powers over lives and belongings of the masses. They have shown a total disregard for welfare of the people. Immense powers of tribal Baloch sardars is thus at the heart of Balochistan’s under development. Mr Khan also highlighted that external factors and geo-political interests of some foreign countries are also supporting Baloch separatists. He said that a number of political measures by the federal government have focused on Balochistan, which include 7th National Finance Commission (NFC) Award, the Aghaz-e-Huqooq-e-Balochistan Package and the 18th Constitutional Amendment. He said that implementation of these measures would be of significance to

eliminate the sense of alienation and disempowerment among the Baloch. Highlighting the economic aspects of the Aghaz-e-Huqooq-e-Balochistan Package, he said that 5,000 jobs for Balochis in government, semi-government and other organizations have been created. Over 10,000 young Baloch have joined Pakistan Army as officers and jawans. The royalty issue worth Rs. 120 billion dating back to 1954 has been settled and will be paid in a period of 12 years. All posts from BPS 1-16 in Gwadar city would be filled by locals on merit. It was recommended that the Baloch leaders must be engaged by the political leadership to neutralize their extremist and separatist tendencies. Political parties should also keep pressing the federal government to implement the political and constitutional measures it has announced for Balochistan. Capacity and resources of law enforcement agencies should also be boosted. Government should create conducive security environment for development, generate large scale economic activity and employment opportunities to benefit the local people. Industrial zones in urban centres of the province should be set up, where young people could use their potential and get employment. The Balochistan government should work out a



comprehensive roadmap for development projects in the province and prioritize sectors such as infrastructure, communication, transportation, education, health, fisheries, livestock, water for irrigation and drinking, and mining. Public participatory approach should be adopted by provincial government in order to share with local people detailed proposals for such development projects.

## Russian Scholar Visits IPRI

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relations with one country do not develop at the cost of the other. Russia maintained its relations with Pakistan through security framework in the context of building and maintaining peace in Afghanistan and Central Asian Republics and hoped to develop cooperation in trade and economy as well. While with India, Russia maintained its traditional ties. Mr. Topychkanov explained

that Russia was satisfied with the nuclear safety and security mechanism in Pakistan and does not believe that Pakistan’s nuclear weapons could fall in the hands of terrorists.

He said that there were more problems of nuclear security in India as there have been more than a dozen incidents of breach of nuclear security in India which included the mishandling and theft of fissile material. Commenting on Pakistan and India’s relations

with the US, the visiting scholar explained that both India and Pakistan had huge diaspora in the US which was a binding force in maintaining strong relationship with the US. Diaspora was the real soft power of Pakistan and India in the US.

He also said that after the fall of USSR, it was the defence cooperation with India which let the Russian defence industry survive.

## Current Economic Situation of Pakistan

Dr. Eataz Ahmad, Senior Dean, Quaid-i-Azam University Islamabad, delivered a lecture on “Current Economic Situation of Pakistan”, on January 23, 2014 at IPRI. During his presentation his main focus was on the impact of debt management on overall health of the economy and welfare of



people.

He said that the economy of Pakistan was improving but at a slow rate. The issues requiring attention were: enhancing growth rate, attracting foreign investment and improving debt management. Contrary to the perception that the burden of debts may have increased even above the levels of the

1990s, Dr. Ahmad explained that Debt-GDP ratio had increased from 58.57% in the year 2006-07 to 69.19% in the 2010 but then declined to 59.5% in 2012-13.

He was of the view that though the debt burden seems to be sustainable, unfavourable external shocks such as decrease in the flow of foreign remittances can complicate the equation.

Talking about shortcomings in the debt management practices in policy-making circles in Pakistan, he highlighted that there was less emphasis on studying the impact of domestic debt on foreign debt and vice versa.

He noted that even most of the academic studies analyse foreign debt as an issue unrelated to domestic debt, which was incorrect. He said that along with faulty debt management, the donor agencies particularly the International Monetary Fund

(IMF) also have a share in complicating Pakistan’s debt situation.

Despite all the apparent emphasis of World Bank and IMF on poverty alleviation and the social sector, Pakistan had experienced adverse trend on both accounts. Conditions attached to aid packages tend to neutralize the



intended outcomes. Most IMF conditions, particularly on energy pricing, subsidies and taxation, are based on hardcore neoclassical economics and lack human touch, he stated. Dr. Ahmad noted that the most visible effect of the drive to reduce budget deficit had been a sharp decline in the public sector development expenditure.

He was of the view that privatization was required for improving economic efficiency and thereby curtailing the need for further borrowing. He suggested that the debt problem should be linked to the question of sustainability rather than size, which meant that the focus should be on debt management rather than debt retirement.

However, he noted that the success of debt management hangs on the ability of debt managers to acquire management autonomy and separation from bureaucratic mindset.

### February Schedule

- Guest Lecture  
“Evolving Relations between Pakistan and India”  
February 10
- IPRI Review Meeting  
“Civil Military Relations”  
February 17
- “Foreign Policy Issues of Pakistan vis a vis Real Politic”  
February 24

### FOREIGN SCHOLARS’ VISITS

#### Russian Scholar Visits IPRI

Russian scholar Mr. Peter Topychkanov visited IPRI on January 17, 2014 to discuss Pakistan-Russia relations with IPRI scholars. He apprised that the Russian International Affairs Council (RIAC), was interested in research on security situation of Pakistan. He opined that Pakistan-Russia joint working groups on counter terrorism, strategic stability and inter-governmental commission were productive forums and these would help in furthering cooperation in other areas as well. These working groups, the visiting scholar said, generated interest to the extent that Russia’s Deputy Minister of Foreign Affairs Sergei Kapkov and Deputy Minister of Defence Mr. Anatoly Antonov asked researchers at RIAC to undertake research on Pakistan. Mr. Topychkanov said that due to lack of resources in Russia, there were limited opportunities for economic cooperation with Pakistan. He said, Russia needed more resources to protect its investments abroad. He apprised that even for



Russia-China energy projects, the latter had invested more than Moscow for infrastructural development, and after the conclusion of energy projects with China it had become difficult for Russia to invest in other countries.

He said that Putin’s foreign policy was different for Pakistan and India ensuring that

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