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India - Pakistan Relations: Analysing Political Dynamics, Societal Tensions and Economic Implications in South Asian Region

1Shambhavi Mishra, 2Dr Nilanjana Saha

1B.A. Political Science (Hons.), 2Assistant Professor

1Amity University, Noida ,

2Amity University, Noida

Chapter 1: Introduction

1A. The partition

The Partition of India in 1947 was a significant and tragic event that led to the division of British India into two independent nations—India and Pakistan. The partition was driven by conflicting political ideologies, with the Indian National Congress, led by Jawaharlal Nehru, advocating for a unified India, while the Muslim League, under Liaquat Ali Khan, demanded a separate Muslim-majority nation (Jalal, 1994). Despite Congress's opposition to the two-nation theory, the India Independence Act was passed by the British Parliament in July 1947, formalizing the division (Khan, 2007).

The aftermath of partition was marked by mass migrations and communal violence. Approximately 15 million people—Hindus, Sikhs, and Muslims—were displaced, making it one of the largest migrations in history. The violence resulted in the deaths of 200,000 to 2 million people (Talbot & Singh, 2009). Many families were torn apart, and horrific atrocities, including mass killings, rapes, and looting, occurred (Butalia, 2000).

While Pakistan was seen as a safe haven for Muslims, many chose to remain in India, trusting promises of safety and equality. Some who initially migrated to Pakistan were disillusioned by the harsh realities and sought to return to India (Pandey, 2001). The partition left a lasting impact on the region, shaping the politics, identity, and memory of India, Pakistan, and later, Bangladesh.

1B. Challenges of nation building

At midnight of 14th - 15th August 1947, India gained its independence. Our first prime minister, Mr. Jawaharlal Nehru, addressed a special session of the Constituent Assembly and gave his famous speech, "*Tryst with Destiny*" (Guha, 2007). Our nation was built on diverse factors, whereas, everyone agreed on two primary goals: first, that our country would run democratically after independence, and second, the government would run for the welfare of people, especially the poor and marginalized groups (Austin, 1999).

It was time to fulfill all the promises made for the new India, but there were several challenges because the birth circumstances were difficult. There were mainly three main types of difficulties faced by India while nation-building. The first challenge was to create a nation that was both united and accepting of the diversity

of our society. India was a diverse nation with a landmass the size of a continent. Its people spoke a wide range of languages and practiced a wide range of cultures and religions (Tharoor, 2017).

Second, establishing democracy was a major challenge to overcome; therefore, the Indian Constitution was drafted and came into action. The Constitution guarantees fundamental rights and extends the right to vote to all citizens. India created a parliamentary-based representative democracy.

Third was to establish democratic practices in accordance with the Constitution. The entire society, not just certain segments, needed to be developed and well-off. The Directive Principles of State Policy, which were established by the Constitution, set out the welfare goals that democratic politics must achieve (Guha, 2007). At this point, the real challenge was to come up with effective policies for economic development and poverty alleviation (Chand, 2019).

Chapter 2: Analyzing the political relations between India and Pakistan

India and Pakistan share linguistic, cultural, geographical, and economic links, yet their relationship has been complex due to shared historical and political events. Geographically, both countries share their borders which stretch from Jammu and Kashmir in the North to the zero point at Gujarat, India, and Sindh province in Pakistan. The total length of the India - Pakistan border is 3323 km, this border is also known as the “Radcliffe line”.

2A. Partition of India and Pakistan and their political relations

At the time of partition, the relations of India and Pakistan were tense, marked by violence and deep-rooted hostility. The partition accompanied communal violence, mass displacement, and diplomatic changes. Cities like Lahore, Punjab, and Kolkata became communal zones where mass violence occurred, nearly 1 to 2 million people were killed in these riots and 10 million people were displaced.

India's first Prime Minister, Jawaharlal Nehru, wanted a democratic and secular state, whereas Pakistan's first Governor General, Muhammad Ali Jinnah, envisioned Pakistan as the homeland for Muslims but faced internal challenges. While the worst of the violence took place during the first six weeks of partition, the consequences of those weeks played out for decades. Disparities that arose from the hasty creation of Pakistan ultimately led to a devastating war in 1971 between its eastern and western provinces, resulting in the independence of East Pakistan as Bangladesh (Jalal, 1994; Wolpert, 2006).

One of the first and most contentious issues between India and Pakistan was the princely state of Jammu and Kashmir. The ruler of Kashmir, Maharaja Hari Singh, initially sought to remain independent. However, after Pakistani tribal invaders entered Kashmir in October 1947, he sought India's help and signed the Instrument of Accession with India. This led to the First Indo-Pak War (1947–48) and the eventual division of Kashmir, with Pakistan controlling Azad Jammu and Kashmir (AJK) and Gilgit-Baltistan, while India retained Jammu, Ladakh, and the Kashmir Valley (Snedden, 2012; Ganguly, 2002). This unresolved conflict became the core of India-Pakistan tensions, fueling future wars and diplomatic strife.

Politically, the two newly formed nations adopted contrasting ideologies. India, under Prime Minister Jawaharlal Nehru, pursued a democratic and secular model, while Pakistan, led by Muhammad Ali Jinnah, was envisioned as a homeland for Muslims. However, Jinnah's death in 1948 and subsequent political instability in Pakistan weakened the country's democratic foundation. The disparities caused by the hurried creation of Pakistan eventually contributed to the 1971 war, which led to the secession of East Pakistan and the formation of Bangladesh.

The partition not only divided the subcontinent geographically but also entrenched deep-seated animosities. The scars of the mass killings, forced migrations, and territorial disputes have continued to shape India-Pakistan relations. The legacy of 1947 remains a major factor behind the enduring rivalry, with Kashmir still at the heart of their conflicts (Butalia, 2000; Snedden, 2012).

Despite occasional diplomatic engagements, mistrust and unresolved issues keep the relationship strained, making the partition a lasting symbol of division and discord.

2B. India-Pakistan Relations During the Congress Era (1947–1977)

The period between 1947 and 1977, when the Indian National Congress was the dominant political force in India, was marked by significant conflicts, diplomatic tensions, and efforts to achieve peace with Pakistan. Throughout these three decades, the relationship between India and Pakistan was shaped by multiple wars, including those in 1947, 1965, and 1971, as well as various diplomatic negotiations such as the Tashkent Agreement in 1966 and the Simla Agreement in 1972. Despite periodic attempts to establish peaceful relations, deep-seated mistrust, and unresolved territorial disputes, particularly over Kashmir, continued to challenge the stability between the two nations (Wirsing, 2007).

Under the leadership of Prime Minister Jawaharlal Nehru from 1947 to 1964, India pursued a policy of non-alignment, aiming to remain neutral in global affairs. However, relations with Pakistan remained strained, primarily due to the ongoing conflict over Kashmir. In 1947, shortly after independence, the first war between India and Pakistan erupted over the princely state of Jammu and Kashmir. The conflict concluded in 1949 with a ceasefire mediated by the United Nations, leading to the establishment of the Line of Control (LoC), which effectively divided Kashmir between the two countries.

Throughout the 1950s, tensions escalated further as Pakistan formed close alliances with the United States and received military and financial assistance, which India perceived as a strategic threat (Kapur, 2006). These developments contributed to a widening rift between the two nations. Throughout the 1950s, tensions further escalated as Pakistan aligned with the United States and became a member of the Southeast Asia Treaty Organization (SEATO) and the Baghdad Pact (later CENTO), receiving military aid. India perceived this as a strategic threat, worsening bilateral relations (Ganguly, 2002).

During Prime Minister Lal Bahadur Shastri's tenure (1964–1966), the two countries fought the Second Indo-Pakistani War in 1965, again over Kashmir. The conflict ended with the Tashkent Agreement (1966), mediated by the Soviet Union. Both nations agreed to withdraw forces to pre-war positions and pledged to resolve disputes through peaceful means. However, the accord failed to establish lasting peace, as the core issue of Kashmir remained unresolved (Wirsing, 2007).

During the tenure of Prime Minister Indira Gandhi from 1966 to 1977, India and Pakistan experienced both military conflict and efforts toward diplomatic resolution. One of the most defining moments of this period was the 1971 Indo-Pakistani War, which stemmed from the internal political and economic crisis in East Pakistan (now Bangladesh). India extended support to Mukti Bahini, the Bangladeshi freedom fighters, and later engaged in direct military intervention, ultimately leading to Pakistan's defeat and the creation of Bangladesh as an independent nation.

In an effort to prevent future hostilities, India and Pakistan signed the Simla Agreement in 1972, committing to resolving disputes through peaceful negotiations. However, despite these diplomatic efforts, tensions persisted, and relations between the two countries remained fragile. Despite this, the Kashmir issue and Pakistan's growing ties with the US and China continued to strain relations (Ganguly, 2002).

The Congress-led period of Indian politics witnessed repeated cycles of conflict and reconciliation with Pakistan. While agreements such as the Tashkent and Simla accords aimed at fostering dialogue, unresolved issues, particularly concerning Kashmir and military confrontations, continued to shape bilateral relations. This era highlighted the complexities of India-Pakistan relations, where attempts at peace were frequently disrupted by political and strategic challenges.

2C. India-Pakistan Relations During Vajpayee's Era

Atal Bihari Vajpayee, a prominent leader of the Bharatiya Janata Party (BJP), served as India's Prime Minister from 1998 to 2004. His tenure was marked by a complex interplay of diplomatic efforts and military confrontations that shaped India-Pakistan relations (Malone, Mohan, & Raghavan, 2015). While significant steps were taken toward fostering peace, deep-seated mistrust and unresolved conflicts continued to hinder the normalization of relations between the two nations. Throughout this period, diplomatic ties experienced considerable fluctuations, influenced by both peace initiatives and escalations in conflict.

One of the most defining moments of Vajpayee's leadership in relation to Pakistan was India's nuclear tests conducted in May 1998. These tests were aimed at strengthening India's defense capabilities but also led to heightened tensions in the region. In response, Pakistan conducted its own nuclear tests, resulting in international sanctions and widespread global concern over security in South Asia (Bajpai, 2017; Ganguly, 2002). This nuclearization of the subcontinent intensified the focus on the strategic balance between the two countries and further complicated their political relationship.

Despite these tensions, efforts were made to establish a diplomatic dialogue. In February 1999, Vajpayee initiated a historic peace effort by traveling to Lahore, where he met with Pakistan's Prime Minister Nawaz Sharif. This visit led to the signing of the Lahore Declaration, in which both nations committed to peaceful coexistence, dialogue on outstanding issues, and measures to prevent nuclear conflict. However, the optimism generated by this initiative was short-lived, as conflict erupted in Kargil later that year. Pakistani forces, along with militants, infiltrated Indian positions along the Line of Control in Jammu and Kashmir, resulting in a military confrontation. India successfully repelled the incursion, but the conflict severely strained diplomatic relations between the two nations.

Following the Kargil conflict, Vajpayee once again sought to establish peaceful negotiations through the Agra Summit in 2001. The summit, attended by Pakistan's President Pervez Musharraf, aimed to address long-standing disputes, particularly the Kashmir issue. However, despite extensive discussions, the talks failed to produce a joint declaration due to differences in approach, leading to yet another diplomatic setback. Later that year, the attack on the Indian Parliament, which was attributed to Pakistan-based militant groups, further escalated tensions. This event resulted in a massive military standoff between India and Pakistan, with both nations deploying troops along the border. The situation brought them to the brink of war before international diplomatic interventions helped de-escalate the crisis.

Despite these challenges, efforts toward peace were revived in 2003 when Vajpayee extended a hand of friendship to Pakistan, emphasizing the need for dialogue and cooperation. This initiative led to a ceasefire agreement along the Line of Control, marking a significant step towards stability in the region (Malone, Mohan, & Raghavan, 2015). The following year, during the SAARC Summit in Islamabad, Vajpayee and Musharraf agreed to establish a framework for dialogue, focusing on issues such as terrorism and the Kashmir dispute.

Vajpayee's tenure was characterized by both conflict and conciliation, demonstrating the complexity of India-Pakistan relations. While his government faced significant security threats, including the Kargil conflict and the Parliament attack, his efforts towards peace, including the Lahore Summit, Agra Summit, and the 2003 ceasefire agreement, reflected a commitment to a diplomatic resolution. However, the deep-rooted mistrust and unresolved disputes between the two nations remained a significant obstacle to lasting peace.

2D. India-Pakistan Relations During Narendra Modi's Era

Since Narendra Modi assumed office as India's Prime Minister in 2014, the political relations between India and Pakistan have experienced significant fluctuations, marked by both diplomatic engagements and heightened tensions (Pant, 2019). Modi's tenure has been characterized by an initial outreach towards Pakistan, followed by periods of strained relations, particularly in response to security concerns and regional conflicts.

In May 2014, in a gesture signaling a desire for improved bilateral ties, Prime Minister Modi invited his Pakistani counterpart, Nawaz Sharif, to his swearing-in ceremony (Schaffer & Schaffer, 2016). This move was widely perceived as an olive branch, fostering hopes for a renewed dialogue between the two nations. Subsequent high-level meetings, including Modi's unexpected visit to Lahore in December 2015, underscored this initial commitment to diplomatic engagement.

However, the trajectory of India-Pakistan relations took a downturn following a series of security incidents. The 2016 attack on the Indian Army base in Uri, attributed to Pakistan-based militants, prompted a strong response from India, including surgical strikes across the Line of Control. These events led to a suspension of bilateral talks and a deterioration of diplomatic ties.

The situation further escalated in February 2019 after a suicide bombing in Pulwama, Jammu and Kashmir, which resulted in significant casualties among Indian paramilitary forces (Fair, 2019). India accused Pakistan-based groups of orchestrating the attack and conducted airstrikes in Balakot, Pakistan, targeting alleged militant camps. This series of events brought the two nuclear-armed neighbors to the brink of a broader conflict, though international diplomatic efforts eventually led to de-escalation.

In August 2019, the Indian government's decision to abrogate Article 370, revoking the special status of Jammu and Kashmir, was met with strong condemnation from Pakistan (Yusuf, 2020). In response, Pakistan downgraded diplomatic relations, expelled the Indian High Commissioner, and suspended bilateral trade. These actions further strained the already tenuous relationship between the two countries.

Despite these challenges, there have been sporadic attempts to revive dialogue. In February 2021, both nations reaffirmed their commitment to the 2003 ceasefire along the Line of Control, leading to a reduction in cross-border hostilities (Pant, 2019). However, substantive political negotiations have remained elusive, with deep-seated mistrust and divergent strategic interests continuing to impede progress.

Prime Minister Narendra Modi's era has witnessed a complex interplay of diplomatic initiatives and confrontations in India-Pakistan relations. While initial efforts aimed at rapprochement, subsequent security concerns and policy decisions have contributed to a cycle of escalation and tentative de-escalation, reflecting the enduring complexities of the bilateral relationship.

Chapter 3: Analyzing the societal tensions and changes between India and Pakistan

India and Pakistan, since their partition in 1947, have experienced deep-rooted tensions, shaped by historical conflicts, political disputes, and cultural differences. While both nations share a common heritage, their paths have diverged due to wars, border conflicts, and ideological differences. The Kashmir issue, religious divisions, and cross-border terrorism have fueled hostility, while diplomatic efforts and people-to-people exchanges have attempted to bridge gaps. This analysis explores how societal changes, nationalism, media influence, and evolving political dynamics have impacted India-Pakistan relations over the decades.

3A. Partition and the Societal Changes

The Partition of India in 1947 was a watershed moment in South Asian history, bringing about profound and far-reaching societal changes. The division of British India into two independent nations—India and Pakistan—led to one of the largest and most violent mass migrations in recorded history (Talbot & Singh, 2009). An estimated 10 to 15 million people were displaced as Hindus and Sikhs migrated to India while Muslims moved to Pakistan, seeking safety based on their religious identities (Khan, 2007). This massive population exchange was accompanied by communal violence, massacres, and large-scale atrocities, resulting in the death of one to two million people (Pandey, 2001). The harrowing experiences of murder, arson, and rape inflicted deep psychological and emotional wounds on the people of both nations (Butalia, 2000).

The societal fabric of the region was irreversibly altered. Communities that had coexisted for centuries were suddenly divided along religious lines, breeding mistrust and intolerance (Jalal, 1994). The violence of Partition created lasting communal fault lines, as Hindus, Muslims, and Sikhs turned against each other in brutal clashes (Talbot & Singh, 2009). Women suffered immensely during this period, as they became targets of abduction, sexual violence, and forced conversions (Butalia, 2000). Many were forcibly separated from their families, while others were subjected to mass rapes and human trafficking. The trauma and stigma faced by these women persisted for generations, leaving a painful legacy of gendered violence (Khan, 2007).

The newly formed governments of India and Pakistan were overwhelmed by the scale of the refugee crisis, struggling to provide rehabilitation, housing, and relief to millions of displaced people (Talbot & Singh, 2009). The sudden influx of refugees reshaped the demographics and socio-economic fabric of both nations, particularly in regions like Punjab and Bengal, where entire villages were emptied or repopulated (Pandey, 2001). Refugees faced poverty, loss of livelihood, and cultural dislocation, contributing to long-term socio-economic instability (Jalal, 1994).

The political consequences of Partition were equally significant. The dispute over Jammu and Kashmir, which emerged immediately after Partition, became a major flashpoint between the two nations, leading to multiple wars and decades of diplomatic hostility (Khan, 2007). The communal scars of 1947 continue to shape India-Pakistan relations, fueling nationalist rhetoric, border conflicts, and mutual suspicion (Talbot & Singh, 2009). Furthermore, the memory of Partition has left a lasting imprint on cultural and literary narratives, with generations of writers, poets, and filmmakers capturing the trauma and loss of that era (Butalia, 2000).

Even today, the legacy of Partition influences political, social, and cultural dynamics in the region. The unresolved Kashmir conflict, cross-border terrorism, and deep-rooted communal mistrust serve as enduring reminders of the divisive impact of Partition, making reconciliation between India and Pakistan an ongoing and complex challenge (Pandey, 2001).

3B. The Impact of Bangladesh's Formation on India-Pakistan Relations

The creation of Bangladesh in 1971 was a pivotal moment that profoundly reshaped India-Pakistan relations, intensifying their hostility and altering the geopolitical landscape of South Asia. The conflict arose due to political and economic discrimination faced by East Pakistan (now Bangladesh) under the dominance of West Pakistan (Raghavan, 2013). Despite forming the majority of the population, the Bengalis of East Pakistan were marginalized politically and economically. Their demand for greater autonomy was met with brutal repression by the West Pakistani military. In March 1971, Pakistan launched Operation Searchlight, a violent military crackdown targeting Bengali civilians, intellectuals, and political leaders (Bass, 2013). This resulted in widespread atrocities, with an estimated 300,000 to 3 million people killed and millions displaced. The violence triggered a humanitarian crisis, forcing around 10 million Bengali refugees to flee into India, creating immense economic and social strain on the Indian state.

In response, India, under Prime Minister Indira Gandhi, actively supported the Mukti Bahini, the Bengali resistance force fighting against the Pakistani military (Jacob, 2019). India provided training, arms, and logistical support to the Mukti Bahini, intensifying the insurgency in East Pakistan. The situation escalated into a full-scale war when Pakistan launched preemptive airstrikes on Indian airbases on December 3, 1971 (Sisson & Rose, 1991), marking the beginning of the India-Pakistan War of 1971. India's swift and decisive military intervention, supported by the Mukti Bahini, led to Pakistan's defeat. On December 16, 1971, Pakistan's forces in East Pakistan, led by General A.A.K. Niazi, surrendered to the Indian Army, resulting in the creation of the independent nation of Bangladesh.

The formation of Bangladesh had a profound and lasting impact on India-Pakistan relations (Talbot & Singh, 2009). It marked the first time Pakistan was defeated in a direct war, shattering its image as a strong rival to India. The loss of East Pakistan significantly weakened Pakistan, reducing its geographical size, population, and strategic influence. The defeat also humiliated the Pakistani military and destabilized its domestic politics, eventually leading to the fall of General Yahya Khan's regime (Zaheer, 1994) and the rise of Zulfikar Ali Bhutto.

For India, the victory enhanced its regional dominance and cemented its role as a major power in South Asia (Jacob, 2019). However, the aftermath of the war deepened the animosity between India and Pakistan. The Simla Agreement (1972) was signed between Indira Gandhi and Zulfikar Ali Bhutto, aiming to restore peace and normalize relations (Sisson & Rose, 1991). Both nations agreed to resolve disputes bilaterally and respect the Line of Control (LoC) in Jammu and Kashmir. However, the agreement failed to create lasting peace, as Pakistan continued to support insurgent groups in Kashmir, fueling cross-border terrorism.

The formation of Bangladesh also intensified Pakistan's insecurity and hostility towards India, reinforcing its belief that India was determined to dismantle Pakistan (Raghavan, 2013). This led Pakistan to strengthen its military ties with China and the United States, seeking strategic alliances to counter India. The loss of East Pakistan also fueled Pakistan's support for Islamist militant groups, which it viewed as proxies to challenge India's dominance, particularly in Kashmir.

The creation of Bangladesh thus marked a watershed moment in India-Pakistan relations, transforming their rivalry into a prolonged conflict marked by military confrontations, diplomatic standoffs, and cross-border terrorism. The psychological scars of the 1971 war, coupled with Pakistan's enduring resentment over the loss of East Pakistan, continue to influence their bilateral relations and fuel hostilities to this day.

3C. Terrorism and cross-border conflicts and their impact

Terrorism and cross-border conflicts have been major destabilizing factors in India-Pakistan relations, particularly due to the activities of militant groups operating in Jammu and Kashmir. India has repeatedly accused Pakistan of providing support, training, and safe havens to terrorist organizations such as Lashkar-e-Taiba (LeT), Jaish-e-Mohammed (JeM), and Hizbul Mujahideen (Fair, 2014), which have been responsible for several high-profile attacks. These include the 2001 Indian Parliament attack, the 2008 Mumbai attacks, the 2016 Uri attack, and the 2019 Pulwama suicide bombing, all of which resulted in significant casualties and strained bilateral relations. While Pakistan denies direct involvement, it acknowledges the presence of militant groups within its territory, arguing that they are non-state actors.

In response to these terrorist incidents, India has adopted a more assertive counterterrorism strategy, moving beyond traditional diplomatic responses. Following the 2016 Uri attack, India conducted surgical strikes across the Line of Control (LoC), targeting terrorist launch pads in Pakistan-occupied Kashmir (PoK). This marked a significant departure from India's previous policy of strategic restraint. Similarly, after the 2019 Pulwama attack, India launched airstrikes in Balakot, Pakistan, targeting alleged JeM training camps. These preemptive strikes were aimed at dismantling terror infrastructure and signaling India's zero-tolerance policy towards cross-border terrorism.

The impact of terrorism and cross-border conflicts on bilateral relations has been severe. Following major attacks, diplomatic ties have deteriorated, with both nations recalling envoys and suspending dialogue. Pakistan's alleged complicity in fostering cross-border terrorism has also led to international pressure, with India advocating for Pakistan's blacklisting by the Financial Action Task Force (FATF) (FATF, 2020) for failing to curb terror financing. Additionally, repeated terrorist incidents have hardened public opinion in India, reducing the political space for dialogue and reconciliation.

Moreover, the constant border skirmishes and cross-border firing along the LoC have resulted in civilian and military casualties, deepening hostilities. Despite ceasefire agreements, such incidents continue to occur, undermining peace efforts (Schaffer & Schaffer, 2011). The Kashmir conflict remains the core flashpoint, with terrorist activities fueling cycles of violence and retaliatory actions.

Overall, terrorism and cross-border conflicts have profoundly shaped India-Pakistan relations, fostering mistrust, military confrontations, and diplomatic isolation. While sporadic peace efforts have occurred, the recurring terror attacks and Pakistan's alleged support for militant groups have made meaningful and lasting reconciliation increasingly difficult.

3D. The Jammu and Kashmir dispute

The dispute over Jammu and Kashmir has been a central point of tension between India and Pakistan. Following the partition of British India, the princely state of Jammu and Kashmir, ruled by Maharaja Hari Singh, chose to join India in October 1947, leading to the First Indo-Pak War (1947–48). The war resulted in the division of the region into Indian-administered Jammu and Kashmir and Pakistan-administered Azad Jammu and Kashmir (AJK) and Gilgit-Baltistan, separated by the Line of Control (LoC) (Schofield, 2010). Despite multiple wars (1965, 1971, and the Kargil conflict of 1999) and diplomatic efforts, the dispute remains unresolved (Ganguly, 2001).

Over the following decades, India and Pakistan fought multiple wars over Jammu and Kashmir, including the 1965 war, the 1971 war, and the Kargil conflict in 1999. The Second Indo-Pakistani War (1965) saw large-scale military confrontations, but it ended in a stalemate with the signing of the Tashkent Agreement, brokered by the Soviet Union (Wirsing, 2003). In 1971, during the Bangladesh Liberation War, India and Pakistan

again clashed, but the focus shifted to East Pakistan (now Bangladesh), and the Kashmir dispute remained unresolved (Talbot & Singh, 2009). The Kargil conflict in 1999 was another flashpoint, where Pakistani forces and militants infiltrated Indian positions in the Kargil sector, resulting in a limited but intense conflict. India successfully regained the occupied territory, but the conflict further soured diplomatic ties (Fair, 2014).

The dispute over Jammu and Kashmir also had significant political and constitutional dimensions. Under Article 370 of the Indian Constitution, Jammu and Kashmir was granted special autonomous status, allowing it to have its own constitution, flag, and autonomy over internal matters except for defense, communications, and foreign affairs (Noorani, 2011). However, on August 5, 2019, the Indian government, under Prime Minister Narendra Modi, made a historic and controversial decision to revoke Article 370, effectively integrating Jammu and Kashmir fully into India (Bose, 2003). The region was reorganized into two Union Territories (Jammu & Kashmir and Ladakh). This move was aimed at promoting development and curbing terrorism, but it was met with strong opposition from Pakistan, which viewed it as a violation of international agreements (Schofield, 2010). In response, Pakistan downgraded diplomatic ties, expelled the Indian High Commissioner, and suspended bilateral trade. The revocation also triggered protests in Kashmir, with widespread concerns over human rights violations, communication blackouts, and military lockdowns (Ganguly, 2001).

The Jammu and Kashmir dispute remains one of the most volatile and complex conflicts in South Asia. Despite multiple diplomatic efforts, including the Simla Agreement (1972) and the Lahore Declaration (1999), the territorial and ideological divide persists (Fair, 2014). The region continues to witness periodic violence, cross-border skirmishes, and militant activities, making it a nuclear flashpoint with global security implications (Schofield, 2010).

Chapter 4 : Analyzing the economic changes and challenges between India and Pakistan

4A. Economic Changes and Challenges Between India and Pakistan at the Time of Partition

The partition of British India in 1947 created the independent nations of India and Pakistan and led to significant economic disruptions. The division was unequal, with India inheriting a majority of industrial, financial, and infrastructural resources, while Pakistan struggled with economic instability (Talbot & Singh, 2009). The newly formed Pakistan had to establish its own economic structure, which posed significant challenges in terms of currency, trade, industries, and financial assets (Khan, 2007).

According to the agreement, Pakistan was entitled to ₹750 million (₹75 crore) from British India's Reserve Bank as its share of total assets. However, due to the conflict over Kashmir, India initially withheld ₹550 million (₹55 crore). After Mahatma Gandhi's insistence, the amount was eventually transferred, but it did little to resolve Pakistan's immediate economic difficulties (Jalal, 1994).

The partition also disrupted trade and commerce. Before 1947, regions that became Pakistan relied heavily on industries and markets located in India. After partition, Pakistan had to restructure its trade networks and develop new trade relations with other countries. The newly formed country lacked industries to process raw materials like jute and cotton, which were grown in Pakistan but were previously processed in Indian mills (Butalia, 2000).

The agricultural sector also suffered. While Pakistan had fertile lands in Punjab and Sindh, it lacked irrigation systems and faced food shortages. The sudden displacement of populations further worsened economic conditions, as skilled laborers and businessmen migrated between the two countries, leading to a disruption in productivity (Gilmartin, 1998).

Pakistan did not have its own central bank at the time of independence. Initially, it used Indian currency notes with a special Pakistan stamp, while preparations were made to establish a banking system. The State Bank of Pakistan was created in July 1948, but in its early years, Pakistan struggled with currency shortages, inflation, and financial instability (Talbot & Singh, 2009).

4B. Fluctuations in Economy and Challenges Faced by India During the Liberation of Bangladesh (1971)

The Liberation of Bangladesh (1971) was a significant event in South Asian history, marked by a humanitarian crisis, military conflict, and major geopolitical shifts (Bose, 2011; Raghavan, 2013). India played a crucial role in supporting Bangladesh's struggle for independence from Pakistan, but this involvement also brought economic hardships, financial burdens, and resource strain for India (Sisson & Rose, 1990). The war, coupled with pre-existing economic issues, led to inflation, trade disruptions, and fiscal challenges.

India was already facing economic difficulties in the late 1960s due to poor agricultural output, rising inflation, and global economic uncertainties (Jha, 2018). The situation worsened with the 1971 war, as the government had to allocate significant financial resources for military operations (Raghavan, 2013). Defense spending increased drastically, leading to a fiscal deficit and further strain on an already weak economy. Inflation rose sharply due to war expenditures and a sudden increase in demand for essential goods. The Indian government had to print more currency to finance the war effort, leading to a rise in prices of food, fuel, and other commodities. The oil crisis of 1971 further worsened the economic scenario, as rising global oil prices led to increased import costs for India.

One of the biggest economic challenges during the Bangladesh Liberation War was the influx of millions of refugees from East Pakistan (now Bangladesh) into India (Bose, 2011; Sisson & Rose, 1990). An estimated 10 million refugees crossed into West Bengal, Assam, Tripura, and Meghalaya, putting immense pressure on food supplies, healthcare, and housing (Talbot & Singh, 2009). The Indian government had to divert funds to provide food, shelter, and medical aid for the refugees, further stretching its already limited resources. The economic burden was significant, as India struggled to maintain domestic stability while supporting the liberation movement. International aid was minimal, and India largely financed the refugee crisis on its own.

The war led to disruptions in trade and commerce, especially between India and Pakistan (Raghavan, 2013). Pakistan stopped trade with India, affecting industries that relied on certain imports and exports. India also faced supply chain disruptions, particularly in goods that passed through East Pakistan before its independence. The war also diverted attention from domestic economic development. Industrial growth slowed down as investments were redirected toward military and relief efforts (Jha, 2018). Agricultural production was affected due to land displacement and instability in the eastern regions, contributing to food shortages.

4C. Contemporary economic relations between India and Pakistan

The contemporary economic relations between India and Pakistan have been complex due to their shared history. Despite the potential benefits of bilateral trade, both nations have yet to fully capitalize on economic cooperation.

In recent years, formal trade between India and Pakistan has been significantly limited. In 2023, India's exports to Pakistan amounted to approximately \$523.22 million, reflecting a constrained trade environment (Ministry of Commerce, 2023). This reduction in trade can be attributed to political tensions and policy decisions that have disrupted traditional economic engagements (World Bank, 2023). Despite the current limitations, there exists substantial potential for economic collaboration between the two countries. Analyses

suggest that Pakistan's exports could increase by 80% if normal trading relations with India were established, potentially adding about \$25 billion to Pakistan's export economy (Hussain, 2023). Additionally, India's export potential to Pakistan is estimated at \$20.2 billion, with key sectors including petroleum products and cotton (Ahmed, 2024).

The longstanding Kashmir dispute continues to be a significant impediment to economic normalization. Political deadlock over this issue has prevented meaningful dialogue on trade and investment (Ganguly, 2020). Additionally, security concerns and mutual distrust have led to a cautious approach in bilateral engagements, further hindering economic cooperation (Pant, 2022).

In October 2024, during a Shanghai Cooperation Organisation (SCO) meeting in Islamabad, Pakistani Prime Minister Shehbaz Sharif advocated for the expansion of China's Belt and Road Initiative (BRI) to enhance regional connectivity (SCO, 2024). While this proposal aims to foster broader regional economic integration, direct economic engagement between India and Pakistan remains limited.

While regional platforms offer avenues for multilateral economic discussions, direct economic relations between India and Pakistan remain constrained by unresolved political issues and mutual suspicions. For any substantial progress, both nations would need to address core disputes and build confidence through sustained diplomatic efforts (Mukherjee, 2021).

Chapter 5: Conclusion

In conclusion, the relationship between India and Pakistan is characterized by a complex interplay of historical grievances, territorial disputes, and national identities. The Kashmir conflict remains a focal point of tension, deeply rooted in the events following the partition in 1947. Despite several military confrontations and ongoing hostilities, there have been moments of hope for peace, highlighted by diplomatic efforts aimed at fostering dialogue and cooperation.

However, the path to lasting peace is fraught with challenges, including the rise of nationalism and ongoing security concerns. Both nations must confront their historical narratives and work towards building mutual trust. Addressing issues such as trade, water sharing, and counter-terrorism can serve as potential areas for collaboration, creating a foundation for more constructive relations.

Ultimately, the future of India-Pakistan relations will depend on the commitment of both governments and their peoples to engage in open dialogue, acknowledge shared challenges, and pursue a vision of coexistence. By moving beyond conflict and embracing cooperation, there is a possibility for a more stable and peaceful South Asia, benefiting not only India and Pakistan but the entire region.