

(Preliminary draft)

ANALYZING CONFLICT WITHIN A CONTESTED LAND: THE CASE OF KASHMIR

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ABSTRACT. This paper considers the case of Kashmir to examine the relation between the people of the contested land (Indian-occupied Kashmir) and one of the nation states claiming it (India, in this case) in a game-theoretic framework. An otherwise standard political economic model is used to capture how, the way in which citizens determine their allegiance to one or the other nation state (India or Pakistan) can, in turn, affect the nation-state's (India's) policies towards the contested land. I conclude that if the Indian government perceives allegiance of the citizens to be determined primarily by partisan preferences of the citizens, not so much by their preferences for policies, then the government rationally concentrates on minimizing its disutility due to deviations from its 'most-favorite' policy. This understanding rationalizes the policies of the Indian government towards Kashmir. More importantly it points towards areas that need considerations for any peace-making process to take-off.

1. INTRODUCTION

... Curses they heeded not... But soon there were few left in Minas Tirith who had the heart to stand up and defy the hosts of Mordor. For yet another weapon, swifter than hunger, the Lord of the Dark Tower had: dread and despair.

From The Return of the King by J. R. R. Tolkien

What objective does a nation state pursue towards a contested land that it claims? And why is it what it is? And how might 'confidence building measures' taken by the government, help peace-making processes? This paper attempts to build a model to shed light on some of these questions and predictions. Most of the research over conflicted lands has concentrated on conflict

among the nation states involved (see related literature section 1.1 below). However, to take the problem in Kashmir, for example, it is not just the conflict between India and Pakistan over Kashmir but more importantly, between the Kashmiris and India over Kashmir, that has disturbed peace so often in the Valley (see the discussion in section A.1).

Considering the case of Kashmir, the focus here is not on the inter-state dimension (India-Pakistan) of the conflict, but rather on the intra-state dimension (India-Kashmir) of it. Obviously the internal dimension of the conflict is intricately related to the international dimension, but in the opinion of some scholars, the former is as important, if not more important, than the latter. This is because, often the roots of the conflict, wherein the beginnings of peace must lie, can be traced to circumstances that deteriorated the internal relations. In the case of Kashmir, many scholars have held that escalation of conflict between India and Pakistan over Kashmir, can be traced back to the policies of New Delhi in Kashmir, often undemocratic and repressive, and very unlike its disposition towards other Indian states¹. This has fuelled unwanted repercussions for India, by increasing the numbers opposed to Indian sovereignty over Kashmir. This in turn has led to increased resistance to Indian activities in the region, including possibly greater impediments to counter-insurgency measures. In short, the New Delhi-Srinagar angle of the problem, is by no means any less important than the New Delhi-Islamabad angle, and the former, is the focus of the current paper.

This paper does two things - first, given specific objectives of the government, an otherwise standard political economic model is used to see how the preferences of the citizens in the contested land affects the level of terrorist activities, and policy of the government. Secondly, and given the previous outcome, the paper rationalizes why the government might be choosing one or the other objective. Hence the first part of the model sheds light on how policy and level of terrorist activity might change with changes in costs of defense and costs of terrorism, given a specific objective of the government, and explicitly taking into consideration the preferences of the citizens into account. Given this, the second part answers why the government might prefer one objective function over another, depending on the preferences of the citizens. Hence the model rationalizes why New Delhi might choose to be undemocratic towards

¹Socialist leader Jayaprakash Narayan wrote in a letter to Mrs. Indira Gandhi in 1966, "We profess democracy, but rule by force in Kashmir... We profess secularism, but let Hindu nationalism stampede us into trying to establish it by repression. Kashmir has distorted India's image for the world as nothing has done... That problem exists not because Pakistan wants to grab Kashmir, but because there is deep and widespread political discontent among the people." (Quoted in [Akbar 2003].)

Kashmir, but not towards the other Indian states. As it turns out, it is not because, it does not take into account the preferences of people of Kashmir, but precisely because it does. See section 2 for some details on the situation in Kashmir and how the model has tried to capture them.

A brief outline of the key ingredients is as follows: citizens of the contested land will have preferences over the policy (see section 2.2), where a policy would mean a settlement of the Kashmir issue. Here the policy space has been assumed to include a spectrum of the various possibilities of settling the Kashmir question, with the complete sovereignty of each of the two countries at the two extremes.

The citizens will also have ‘partisan’ preferences² for one or the other country. This is supposed to capture all non-policy matters that might affect well-being and that are likely to be country-specific. For example, these might be perceptions and expectations of the quality of life (as part of one or the other of the two countries), human right situations, dispositions towards tolerance of different faiths, possibilities of trade and commerce, opportunities of integration with the world at large, and so on.

Taking both policy and partisan preference into account a citizen will decide, whether or not it ‘supports’ or ‘owes its allegiance to’ one or the other country. Like in standard political economic models of voting, ‘allegiance’ or ‘support’ is decided through the technique of probabilistic voting (where the policy preferences are known but the inherent partisan preferences are unknown and modeled as realizations of random variables). Now obviously, in reality, the people of Kashmir are not democratically choosing between India or Pakistan and casting their ballot (like they would in case of an election between two political parties in the same country). However what precedes casting ballot, is essentially determination of which party a voter favors, and in standard election models, it is assumed that this preference can get transformed into a vote for the favorite party (assuming sincere voting).

In this case therefore, the assumption is that, for whatever reason, the people determine their allegiance. The reason could be an expectation of a plebiscite in which they might actually have to choose (see 2.2 for a discussion on this) or

²In the usual political economy literature, partisan preference for a political party usually means the preference for the fixed ideology (that is not related to the policy platform) of the political party. See [Grossman and Helpman 2001], for example. I have naturally adapted it to what it might mean in this specific context. In particular, it is likely to include various things that are important for well-being, which are likely to be country-specific, and which are not likely to be related to the Kashmir-issue.

because when facing pressure from terrorist or other outfits, individuals have to decide, which country to be loyal to. In any case, each person makes a choice, either because he expects to make a choice, or because he has to make a choice (without having to cast a ballot). As we will see, the modeling of preferences this way throws light on various aspects of the interaction between the Indian government and the people in Kashmir. Hence one of the contributions of this paper is to apply a standard technique of modeling preferences for political parties in voting situations, to the context of preferences over nation-states in situations of conflict over some contested lands.

The terrorist organizations are largely believed to be funded and sponsored across the LOC (Line of Control), and hence are not considered part of the population of the Indian-occupied part of Kashmir (see 2 for some details). Often, they inflict violence and cause disturbance in the contested land with the hope of influencing the government's adopted policy on the Kashmir question. Such activities cause disutility to the people of the land, as well as the government.

The Indian government could potentially care about three things³, (i) support among the people of Kashmir (residing on the Indian side of the LOC), (ii) costs of abatement of terrorist activities, and (iii) deviations from its most favorite position on Kashmir question, and could potentially attach different weights to each of these ends⁴.

It cares about policy (the Kashmir question) since it has held itself to be an inclusive, secular state, and it thinks its image would grievously damaged without Kashmir, the only Muslim-majority unit of the Indian Union. In the maximalist version, Kashmir is claimed to be India's *atoot ang* (integral part) in spite of having less than 1% of the total population of India, and has strangely become the symbolic cornerstone of the nationhood of India (this is true of the stand of Pakistan on Kashmir as well, see A.1 for details).

³There have been attempts at modeling possible objectives of a government (see the related literature subsection 1.1 below). Broadly speaking, either the government has been portrayed as a (benevolent) dictator maximizing some welfare criterion (Pigouvian view), or some self-interested entity who is subject to influence of political competitors, special interest groups and so on ('public choice' view). In case of a contested land, the government of a nation state, is like a dictator (benevolent or not) with regards to its treatment of the contested land, but under the implicit rivalry of the other nation state claiming the land, its own claim on the territory, and possible insurgency/terrorism in the territory. Under such circumstances, the paper studies the the optimal objective function of the government, and points to directions of restoring peace in the region.

⁴Notice that if India were a political party, the usual objective would be to garner support (votes) and it might also care about policy.

Now India is not competing with Pakistan in an election. So it is not obvious why it should care about popularity. However, there are at least two possible reasons for that - more the popularity, lesser should be the costs related to suppressing insurgency and terrorism (due to better intelligence, more help from the locals etc.). Also, India as one of the largest democracies, does want to maintain an untarnished image before the international community, which gets damaged the more it becomes unpopular with the masses of Kashmir (see A.2 for some more details). Moreover, it cares about abatement costs since they are a drain on the national exchequer.

Given this framework, we study an extensive-form game of perfect information. Here the government moves first deciding the objectives it wants to pursue. Given its objective, it decides on the optimal level of policy. Given the level of policy, the terrorist organization decides on the level of activities. Given both, the policy and the activity, each citizen decides which nation state it wants to support. The equilibrium concept used is that of subgame perfect Nash equilibrium and we use backward induction to solve the game.

It turns out that the objective the government wants to follow depends on the parameters of the distribution of the partisan preferences in the population. More specifically, if the population of Kashmir are mostly ‘partisans’ i.e. those whose allegiances are determined mainly through partisanship, and not through policy platforms, then India should care only about abatement and policy (and not try to maximize popularity/allegiance). Hence the model sheds light on why India had followed a policy that was distinctly undemocratic relative to its treatment of other Indian states.

This understanding, in turn, points to key implications for peace-making. That non-policy (non-Kashmir) related preferences matter for allegiances opens up plenty of possibilities for India for improving the Kashmir situation, without having to renege on its stance. So to lessen terrorism-related activities (and restore some degree of peace) by increasing the allegiance for India, all India needs to concentrate on is bettering the other components that contribute towards a positive preference for India, that is all the things that make a good life (like viable economic opportunities, political openness, etc.). These tantamount to, in the jargon of politicians and diplomats, ‘confidence building measures’ (see [Habibullah 2008] for a discussion of these). So the model not only rationalizes what is, but also what should be - not only the current situation but also probable steps towards peace-making. I next discuss some of the literature related with this work.

1.1. Related Literature. This paper borders on several strands of literature. One strand of literature models conflict (see [Garfinkel 2006], for an overview). [Grossman 1991] models insurrections, its deterrence or suppression, as economic activities that compete with production for scarce resources and concludes that insurrections can lead to increase in expected income in the long-run. However my model is different since it does not try to model insurrections, but rather how citizens in a contested land might decide on their allegiance and what kind of objectives the government might follow, given external terrorist activities. [Powell 1993] considers decisions regarding allocation of productive resources to production or attacking the other state. The analysis establishes conditions that ensure the existence of an equilibrium in which neither state attacks. [Baliga and Sjöström 2010], look at hawkish or dovish responses from conflicting countries, and how these can be manipulated by the “extremists”. All of these again, look at interactions among the conflicting states (and possibly the influence of terrorist groups on this), whereas in my model the emphasis is on the evolution of the internal relationship between one of the nation-states (India) and the people of the contested land (Kashmir).

The finding of the paper regarding the objective pursued by the government, relates to the literature on objectives that governments pursue. In the economic analysis of the theory of government, two views of government are evident. The Pigouvian view sees government as a benevolent social planner while the ‘public choice’ view of government sees it as a tool of ‘special interest groups’, as likely to generate distortions as to correct them. As an example of the second view, [Grossman 1987] compares actual level of government expenditures to those that would maximize private sector output, and finds that the former is much higher. The government in my model is not Pigouvian since it is not modeled as a benevolent social planner. Rather it fits the ‘public choice’ framework better, since its policies are influenced by its own favorite and the activities of the terrorist groups. [Cukierman and Meltzer 1986] also has a model that puts different weights on different objectives of the government in a macroeconomic context (of inflation and economic stimulation through monetary surprises)^{5,6}.

⁵As in my model, the weights are not directly related to the behavior of voters (citizens in my model) or the policymaker’s perception of the shifting weights voters place on inflation and unemployment.

⁶There are other papers like [Mansoorian and Myers 1997] who compare the efficiency and social welfare properties of equilibria resulting from different governmental objectives in a federal system with a mobile population. [Barro 1973] shows how, when the interest of the public and the political representatives differ, the latter advances his own interest and not that of his constituent’s.

A lot of political science literature looks at conflicts in general and discusses conflict resolution. [Bar-Tal 2000] for example, stresses the emphasis on psychological reconciliation of the affected people before any conflict resolution can take place. In my model, confidence building measures (see 5 for details) to influence partisanship, tantamount to effecting such reconciliation. In a similar vein, [Bar-Tal 2001] discusses why fear might override hope on the path towards peace after years of intractable conflict. In terms, of my model, possible anti-India partisan preferences would be a reflection of such all-pervading mistrust and fear.

Technique-wise, probabilistic voting and maximization of vote-share has been used in a variety of political economic models. [Grossman and Helpman 2001] and [Persson and Tabellini 2000] extensively use such methods in several political and economic contexts like special interest politics and redistribution. Another, less-related strand is the objective analysis of terrorism in economics. [Sandler and Arce 2007] have popularized the use of game theory in analyzing terrorism. Some authors like [Enders and Sandler 2002] study substitution among different terrorism methods and targets, in response to government policies, and also the various incentives associated with hostage-taking, see [Sandler, Tschirhart and Cauley 1983], for example⁷. For one, in most of this literature, the concern is with the ‘target’ nation (like its anti-terrorism policies, ‘softness’ or ‘hardness’ of the target etc.) and the perpetrating terrorist organization (like its strategies). However, in case of conflict over a land, an important consideration is the role and reaction of the people of the contested land. In my model therefore, terrorism has been considered as a phenomenon that is given, that affects the utilities of both the citizens of the contested land and the government, and hence has to be dealt with, but beyond this, the model does not study it further.

The rest of the paper is organized as follows. Section 2 presents some stylized facts to relate some key aspects of the theoretical model to realities in Kashmir. Section 3 describes the formal model. Section 4 gives the results regarding the choice of the policy by the government and the terrorist group and related

⁷On similar lines, [Lee 1988] and [Lee and Sanders 1989], have studied the optimal amount of retaliation by a country when faced with terrorist attacks. [Frey 2004] has considered effects of deterrence policies on marginal costs and marginal benefits of the terrorists to study the possible ineffectiveness of such policies. [Lapan and Sandler 1993] presents an analysis of terrorism based on a signaling game in which an uninformed government uses the first-period attacks of the (informed) terrorists to assess terrorists capabilities. Some authors like [Berman and Laitin 2005] have modeled suicide attacks in a rational-choice framework. [Blomberg, Hess, and Weerapana 2002] model the origin of terrorist activities as a function of economic activities facing the country.

comparative statics, given the objective function of the government, and then describes the choice of objective function. Section 5 lays down the policy implications of the analysis. Section 6 concludes.

2. BACKGROUND OF THE MODEL

As a prelude to the formal model, I present some stylized facts⁸ to show how some of the key features of the formal model stand in good stead in relation to the reality in Kashmir. In particular, I focus on the following three things here.

(i) *Preferences*: Here I describe some of the features of the preferences of the people of Kashmir, and hence lend justification to the way I model it (see 2.1).

(ii) *Policy*: Then I discuss what might reasonably constitute a policy space (see 2.2).

(iii) *Choice*: Then I describe, why people of Kashmir might actually be facing the binary choice of supporting either India or Pakistan, and why the notion of ‘independent Kashmir’ is ultimately an unrealizable aim (see 2.3).

(I have relegated a brief description of the origin of the Kashmir conflict to appendix A.1. Also I include popular support as a possible objective of the government, a justification for which is provided in appendix A.2.)

2.1. Preferences:

...the history of the Kashmiri mind, of its heart and its sentiments,... lies... in the timeless ‘Vakyas’ (Sayings) of Lal Ded, or in the ‘Nur-nama’ of Shaikh Nuruddin, whose shrine at Charari Sharif is still burdened each day with the prayers of men and women, both Muslim and Hindu... This message of harmony created a reservoir of humanism which became the ideological fountainhead of the modern Kashmiri mind, gave a unique quality to the Kashmiri identity... -From Kashmir: Behind the Vale by M.J. Akbar [Akbar 1991].

A lot of attention has been given to the political perspectives of the problem at national and international levels, with the international community especially emphatic in demanding the involvement of the ‘Kashmiri people’ in the

⁸Most of the discussion in this section and A.1 and A.2 has been based on [Bose 2003], [Bose 2001], [Schofield 2000], [Habibullah 2008], [Akbar 1991], [Akbar 2003], [Guha 2007], [Hassan 2009], [Hassan 2010], [Ramusack 2004] and [Jamal 2009].

decision-making process. More recently terrorist groups, claiming to represent the Kashmiris, have unleashed violence and bloodshed in Kashmir. Hence though all the players involved in this high-stake game over Kashmir, claim to be acting on behalf of the people, the Kashmiri people, for all practical purposes, have been relegated to the background as a passive recipient of this unfolding diplomacy and terror.

An important point to take into account when modeling such conflict is the inherent heterogeneity of the people of Kashmir. [Bose 2003] calls the complexity to be like layers of the ‘matryoshka doll’. IJK (Indian-occupied Jammu & Kashmir) consists mainly of three regions - the Kashmir Valley, Jammu and Ladakh. The 5 million people of the Kashmir Valley are mostly Muslims (primarily Sunni, with a sizeable Shia minority), mostly Kashmiri-speaking and their culture is grounded in distinctly regional and mystical Sufi traditions.

To the south of the Valley, lies Jammu with about 4.5 million inhabitants. Muslims make up one-third of the population and Hindus and Sikhs, the rest. However most of the Muslims in the Jammu region are unlike those in the Valley - Gujjars and Bakerwals - traditionally mountain pastoralists and herdsmen and speakers of Gojri and Pahadi (a dialect of Punjabi). Some others are Rajputs (high-caste Hindu converts to Islam). Jammu’s overall Hindu majority is also differentiated along lines of ethnicity, language, caste and locality.

The third region of IJK, Ladakh, is thinly populated but there is heterogeneity here as well. Buddhists of Tibetan ethnic stock are a majority while Shia Muslims form a sizeable minority⁹. This social heterogeneity leads to a high degree of political fragmentation.

Very broadly, political cleavages in IJK can be aligned along a spectrum that includes the following three options, with all possible preferences over intermediate proposals as well - (i) pro-Kashmir, (ii) pro-India and (iii) pro-Pakistan. In (i), the legitimate political unit is sovereign Jammu and Kashmir, separate from both India and Pakistan. In (ii), India, including J&K is the legitimate sovereign unit, while for (iii), it is Pakistan.

As far as the Kashmir question is concerned the possible preferences might be as follows: It is probable that the non-Muslim minorities - Hindus, Sikhs, and Buddhists (about 35% of IJK’s population) - adhere to (ii) and wish to

⁹Across the LOC too such diversity is widespread. Pakistan-controlled AJK (Azad Jammu & Kashmir) districts are predominantly Punjabi-speaking and very different in socio-cultural terms from the Valley.

live under Indian sovereignty. The Kashmir Valley has, historically, been a bastion of sentiments similar to (i), but some support in favor of (ii) and (iii) are also discernible. The Jammu region presents a more ambiguous picture. There would be not only be Muslim segments espousing (iii) but also Hindus, Sikhs and Muslims (especially among the Valley's minority Shia Muslims and ethnic Gujjars) whose national identity is ultimately with India¹⁰. Hence we see that neither religion nor language, neither profession nor location, neither ethnicity nor tradition, can unify the citizens of J&K on the issue of sovereignty of Kashmir.

Moreover there are other factors contributing to possible preference over the 'Kashmir' question - J&K was territorially contiguous to the two Pakistani provinces, (western) Punjab and the NWFP (North Western Frontier Province) and had close trade, transport and commercial areas with them, and also many émigrés of Kashmiri origin were settled in west Punjab. In fact, the borderlands of Rajouri and Poonch epitomize the essence of the conflict in Kashmir. Until partition and war in 1947 - 1948, Rajouri and Poonch had close economic and ethnolinguistic ties, not only with the AJK districts of Mirpur and Muzaffarabad but also with the western (Pakistani) Punjab districts of Rawalpindi, Jhelum, Cambellpur, and Mianwali and even the districts of Abbotabad and Mansehra in Pakistan's NWFP. Many families in border villages of Rajouri and Poonch still have relatives on the Pakistani side of the LOC. However the towns of Rajouri and Poonch have predominantly Hindu (and Sikh) populations. And many Hindus and Sikhs in Rajouri town trace their origins to Kotli, an AJK town and district just across the LOC, and those in the town of Poonch to Rawalkot, an AJK town and district to its west.

Hence there are, at the very least, two considerations for a typical IJK citizen - one is an inherent position about the sovereignty issue of Kashmir (call it the 'policy preference'), and the other, a position regarding several other 'non-policy' factors (like bonding with the place of origin, perceptions about opportunities of trade and commerce and other economic avenues, perceptions about tolerance, human rights etc., perceptions about democratic space and political dialogues, and so on). In short, it includes all components of well-being that are not directly related to the settlement of the 'Kashmir' question (call it the 'non-policy' or 'partisan' preference). So for example, it is possible that a Muslim citizen likes the policy of independent Kashmir most (policy preference), but also realizes that economic benefits of remaining integrated with larger India are enormous (partisan preference). Similarly, a Hindu of

¹⁰A similar picture arise among the inhabitants of AJK (with only (i) and (iii) being considered).

Rajouri town might want J&K to be a part of India (policy preference) but have deep ties to his place of origin in Pakistan (partisan preference).

Notice also, that though policy preferences are likely to be perceived to some extent (by an outsider, say), partisan preferences are likely to remain unobservable. Given these traits, the most natural way to model this, seems to be the approach in ‘probabilistic voting models’¹¹. As in such model, I assume that utility of a citizen depends on the policy and from some partisanship, which is a priori random, following some known distribution.

2.2. Policy.

No one, said Sheikh Abdullah in 1964, must be left with a sense of defeat. India does not want to be the South Asian bully of Pakistani caricatures; nor does Pakistan wish to be portrayed as the renegade with weapons hidden behind a handshake of peace. And the Kashmiris do not want to be cast in the role of the child of divorced parents who are constantly quarrelling over its custody.

From *Kashmir in Conflict: India, Pakistan and the Unfinished War* by Victoria Schofield [Schofield 2000].

The only policy choice relevant for the Kashmir situation would be a way to settle the sovereignty issue. Now of course, a complete sovereignty of either India or Pakistan over J&K or that of complete independence of J&K are possibilities, but given the conflicting stances of the parties involved, any of these seems practically impossible. Hence any feasible solution should ideally be some kind of a balance. So instead of considering the policy space to be the space of three discrete choices {India, Pakistan, Independence} (like the choices facing Kashmir in 1947), the more realistic approach would be to join these discrete choices to somehow ‘convexify’ the policy space and create a continuum that incorporates a whole range of different choices (including the three discrete ones). A way to think about these intermediate possibilities would be to consider redrawing of the international border, or making parts of J&K independent, but not others, and so on (and depending on how much land remains under India or Pakistan, we could conceive it as being nearer or further from full sovereignty of any one country over J&K). Just to give

¹¹In such a model, voters care about two things: policy and ideology. That is, he has a partisan or ideological preference for a party, say A, which can alternatively be thought of as his liking for the fixed policies of party A. He also has some utility from the ‘pliable’ policy, that is the policy to be decided. Also, typically, partisanship are unobservable, and is assumed to be realizations of a random variable that follows a known distribution.

an idea of such ('intermediate' and other) policies specifically in the context of Kashmir, we discuss some of the proposals that have been put forward. Moreover, we discuss the pros and cons of such approaches.

2.2.1. *Plebiscite*: (This approach, if implemented, would probably settle the Kashmir issue in favor of J&K being under either India or Pakistan.) During the early days of the Kashmir dispute, the sovereignty issue was proposed to be settled "in accordance with the will of the people, expressed through the democratic method of a free and impartial plebiscite conducted under the auspices of the United Nations," once Pakistani forces were withdrawn from J&K, followed by withdrawal of Indian forces. However this plebiscite was never held. Pro-Pakistan and pro-independence people in J&K (see more on the plebiscitary approach of pro-independentists and pro-Pakistanis in 2.3 below) allude to this as sign of Indian perfidy. While the Indian rejoinder has been that Pakistani forces never left parts of J&K and hence the onus of 'no plebiscite' lies with them. Moreover India cites that the people of IJK have exercised their democratic rights repeatedly, as have people in other parts of India. This appears to suggest that the people of IJK have freely and voluntarily consented to be a part of the Indian Union through participation in Indian-sponsored political processes and representation in Indian-sponsored institutions. But of course, the New-Delhi instigated subversion of democratic rights in IJK for more than five decades has been a well known fact.

However, even if there would be a plebiscite, the belief among political scientists is that, the outcome would not be satisfactory at all due to the 'matryoshka-doll' complexity of political allegiances in IJK¹². *Khudmukhtari* (self-rule), *azaadi* (freedom) for the "Kashmiri people", the maximalist version of "self-determination", sounds distinctly unitary, while in reality, in a society like Kashmir's, it is extremely plural since the "self" is innumerably fractured

¹²In a hypothetical referendum, the Kashmir Valley would probably return a strong pro-independence majority, but a significant minority consisting of Hindu (the Pandits) as well as Muslim citizens (especially the Gujjar and Shia minorities) will vote pro-India, while another sizeable minority of Muslims will vote pro-Pakistan. The Jammu region, which has a Hindu majority will probably produce a pro-India mandate overall, but Muslim-dominated districts within the region (Doda, Rajouri, Poonch) might well vote differently, while non-Muslim enclaves (comprising of Hindus and Sikhs) within these Muslim-majority districts (like the towns of Rajouri and Poonch and the town of Bhaderwah in Doda district would probably vote differently.

along basic fault-lines of policy and partisan preferences. Hence any plebiscitary approach is bound to have inflammatory, polarizing consequences, and it is more than likely to herald a short countdown to all-out civil war¹³.

2.2.2. *Partition*: As a response to complexities, this approach seeks to draw or re-draw geographical borders to accommodate political communities in ways that might lead to peace and stability. The following are some of the suggestions of this ilk (and related problems associated with each of them).

(i) *Status quo partitionism*. The simplest variant of this approach is to convert the LOC that divides the Indian and Pakistani occupied parts of J&K into a de jure international border between the two countries.

Since the larger and significantly more populous part of J&K lies on the Indian side of the LOC, India is the status quo power in the Kashmir dispute and Pakistan the revisionist power. And for decades Indian leaders have tried to convert the LOC into a legal permanent international frontier, only to be vehemently turned down by the Pakistani counterpart, since this preempts the basis of the international dispute over Kashmir on India's preferred terms. Moreover, this is unacceptable to several million people in IJK who are pro-independence, and those who are pro-Pakistan.

(ii) *Revisionist partitionism*. Some observers believe that Pakistan would really prefer to redraw the LOC, in a way which, from Pakistan's point of view, is more fair. For example, the Kashmir Valley, with its overwhelming Muslim majority, could become part of Pakistan, in exchange for which Pakistan might withdraw any claim on the rest of IJK, including Muslim-majority area in the Jammu region and in Ladakh (the Kargil district).

Not only is this unacceptable to India, but also possibly to a large section of the Valley's population who are pro-independence. Moreover a minority of the Valley's Muslims and the Hindus identify themselves with India. And hence *Kashmir banega Pakistan* (Kashmir will become Pakistan) stance has sympathy from possibly one of the three segments and a minority, of the Valley's population.

¹³In a similar vein, through quantitative analyses, [Li 2005] finds that "The proportional representation system experiences fewer transnational terrorist incidents than either the majoritarian or the mixed system".

(iii) *Sovereignty for the Kashmir Valley.* This approach suggests making the Kashmir Valley, where support for “self-determination” has been most widespread, a fully sovereign unit. First of all, the Indian leadership would see this as an intolerable loss of territorial integrity and sovereignty, and will probably not be acceptable to Pakistani elites as well.

More importantly, as mentioned above, the Valley includes non-Muslims and (Shia) Muslims whose national identity lies with India, who would likely find themselves “orphans of secession” under this arrangement, and would probably migrate rather than put up with such a solution. Moreover there will be pro-independence supporters elsewhere in IJK and AJK who will feel left out¹⁴. That is, an independent Kashmir will create “stranded” communities, both within and without, which will probably lead to large-scale migration in every direction¹⁵. This will probably lead to a lot of sectarian violence, reciprocal expulsions and a larger conflagration involving both India and Pakistan.

(iv) *Trifurcation of J&K.* Some right-wing Hindu zealots of the Vishwa Hindu Parishad (VHP, World Hindu Council) and Rashtriya Swayamsevak Sangh (RSS, National Volunteer Organization), proposed carving out Kashmir Valley and Jammu as separate states and Ladakh as a union territory within India. The idea was to carve out a “Hindu” Jammu, a “Muslim” Kashmir and a “Buddhist” Ladakh.

As it turned out, RSS candidates campaigning in Jammu on ‘trifurcation’ and ‘separation of Jammu from Kashmir’ fared disastrously in the elections. Moreover, the proposal would mean the Jammu enclave (with presumably Kashmiri Pandits who are upper caste Hindus) would cover 55% of the Valley’s land area and include four of its five largest towns - Srinagar, Baramulla, Anantnag, and Sopore - though Pandits make up about 4% of the Valley’s population. And again, neither Jammu nor Ladakh has a unitary regional personality and are very heterogeneous¹⁶.

¹⁴For example, a pro-independence population exists among the Kashmiri-speaking Muslims of Doda district (as does a pro-Pakistan element), and also in other Muslim-dominated areas like Rajouri, Poonch, and the highland areas of Udhampur in the Jammu region.

¹⁵If parts of the AJK were not included in any sovereign entity centered on the Kashmir Valley, a sizeable pro-independence population in AJK would be left out. If they were included, then another pro-Pakistan population will have to become unwilling citizens of a sovereign entity dominated demographically and politically by Valley Kashmiris whose language (Kashmiri not Punjabi) and traditions are very different from those of AJK.

¹⁶Three and a half of Jammu region’s six districts (Doda, Rajouri, Poonch, and parts of Udhampur) have Muslim majorities. And it has been observed that “The Muslims living in the districts of Doda and Poonch, where they are the majority, will almost certainly refuse to be bracketed with the Dogra Hindus and prefer to stay with the Valley’s Muslims.” Among the Buddhist-Muslim population in Ladakh, Muslims now have a slight majority (of 52%)

There are many other proposals that have been bandied by several groups from time to time¹⁷. And hence any model would need to not only incorporate several options in the universe of policy choices (including the ‘extreme’ options), but also allow distinct preferences of the citizens over them. As such in the theoretical model, I assume (as standard in political economy literature) that policy can be chosen from a continuum with the two extremes representing the two ‘extreme’ solutions of the Kashmir dispute, and also that citizens have single-peaked preferences over them.

2.3. The binary choice between India and Pakistan. In the theoretical model, each citizen decides on its allegiance to one or the other nation-state (depending on both policy and partisan preference). A straightforward justification would be that each citizen realizes that the Kashmir question will ultimately have to be settled by the negotiations between India and Pakistan (who may or may not invite the Kashmiris for an opinion). So, all a citizen can do is decide which country he would favor when it comes to that, and hence the choice.

Another possibility would be to consider the possibility of a plebiscite that might happen in which the hypothetical “ballot” has two options - India or Pakistan. However, since many Kashmiris fondly cherish the idea of ‘independent’ Kashmir, it requires justification for restricting the choice for the citizen between India and Pakistan (and not allowing ‘independence’), and the reason is mainly political infeasibility of such an option, as described below.

The right to “self-determination” as propounded by the pro-independence sections in Kashmir (both IJK and AJK) is as follows:

Jammu & Kashmir State as it existed on 14 August 1947 - including Indian-occupied area, Azad Kashmir [AJK], and Gilgit and Baltistan - is an indivisible political entity. No solution not approved by a majority of the people of the entire State as a single unit will be accepted.

overall. In the Kargil district, Shia Muslims make up about 85% of the population while in Leh district, Buddhists comprise 80% of the population, the main minority being a Muslim community called Arghuns, descendants of Sunni Muslims who migrated to Leh from the Kashmir Valley in the 17th century and intermarried with local ethnic Tibetans.

¹⁷Nehru and Sheikh Abdullah espoused the formation of a confederation after the likes in Europe as a solution to the India-Pakistan tangle over Kashmir. Nehru felt that it should be a quadrangular union: India - West Pakistan - Kashmir - East Bengal, with a common defence, foreign and telecommunications policy.

Hence for adherents of this view, the way to solve the dispute is a referendum with three options on the ballot - India, Pakistan and an independent, re-unified state of Jammu and Kashmir - with the outcome to be decided by a majority of the electorate. However most people in Kashmir (even the pro-independentists) realize that independence of Kashmir is infeasible as a political agenda. Here is why.

As mentioned above in 2.2, India is against a plebiscite in principle. Pakistan too, is hostile to the concept of an independent Kashmir. For example, AJK's constitution stipulates that

“no person or political party in Azad Jammu and Kashmir shall be permitted to propagate against, or take part in activities prejudicial or detrimental to, the ideology of the State's [J&K's] accession to Pakistan.”

Hence, by all means, Pakistan would like a plebiscite but only after excluding the “third option” of independence¹⁸. In this case however the allegiance of the masses is very likely to get fractured along unknown lines. Syed Ali Shah Geelani, a prominent conservative Islamist in the Valley and the Hurriyat Conference's senior pro-Pakistan member, remarked that a choice between independence and Pakistan would confuse and severely divide the Muslims of J&K. Moreover there has been concerted attempts by Pakistani military and its intelligence agencies to turn the independentist uprising in IJK into a movement dominated by pro-Pakistan elements.

Apart from the hostility of the two nations towards independence of J&K, the advocates themselves are aware of the hopelessness of their cause, from a practical point of view. An independent state of 5.44 million people, occupying 8,500 mostly mountainous square miles, located amidst two nuclear rivals, with potential oil wealth, is hardly likely to be left free. Dictatorships and quislings are bound to arise¹⁹. Moreover, it is beyond doubt, that IJK does benefit

¹⁸This restriction has been carried out in practice in AJK. Senior pro-independence leader in AJK, Amanullah Khan, has conceded that “you have to declare in writing that you favor accession to Pakistan. If you don't you are not allowed to contest elections. In 2001, JKLF [pro-independent political group, Jammu and Kashmir Liberation Front] fielded its candidates for 31 of 36 seats in the “Azad” Kashmir assembly but all its nominations were rejected because its candidates stood for complete independence. About 300 JKLF activists were arrested and released only after the elections.”

¹⁹On the possibility of an independent Kashmir with both India and Pakistan as guarantors of its defence and independence, replied Sheikh Abdullah, “No, no. This would never work. Pakistan has taught us a lesson. Kashmir is too small and too poor. Pakistan would swallow Kashmir in one gulp. They have tried this once: they would do it again.” (Quoted in [Akbar 2003]).

in economic, financial, and legal ways from the “integration” with the Indian Union, no matter how involuntary it is.

Undoubtedly, this ‘independence’ vision also smacks of the same repressive-nationalisms that it opposes. Independentists also subscribe to an idealized sacred geography, the territory of the pre-1948 princely state of J&K. Now that “state” existed under the British imperial power for barely a century (1846 - 1947) and cobbled together diverse regions and ethnic and religious communities under a despotic, semi-feudal monarchy. It is not obvious why a territory with relatively brief and distinctly undistinguished existence as a ‘state’ should be glorified in a sacrosanct light. Such an ideology is steeped in the fetishization of “territorial integrity”, just like state-led nationalist stances on the Kashmir question. And of course, as mentioned in 2.2 above, any plebiscitary approach ignores the multi-layered complexity of the Kashmiri society.

Since this is really not a democratic set-up, and people in IJK are really not choosing between India and Pakistan in an election, there is no reason for India to have to vie for allegiance of the citizens of IJK. However, as we show in appendix A.2 this is very necessary, not only for the welfare of the citizens but also of the Indian government. Next we turn to the formal model in section 3.

3. THE MODEL

This is a game-theoretic model of sequential moves. The players are the Indian Government (I), a terrorist organization (τ) and the citizens of IJK. Let the policy (a settlement of the Kashmir issue) be denoted by $x \in [-1, 1]$, where the two extremes mean the sovereignty of one or the other country over J&K. Specifically, and without loss of generality, let India’s favorite policy be $x_I^* = 1$ (whole J&K under India) and Pakistan’s favorite policy be $x_P^* = -1$ (whole J&K under Pakistan). (We could think of $x = 0$, being equidistant from both the ends, to be the ‘independent’ Kashmir scenario.) Let the citizens of IJK be distributed on the $[-1, 1]$ interval²⁰ according to density function f with mean²¹ μ .

Preferences of the Citizens of IJK. Each citizen decides his/her allegiance towards one or the other country by considering three things: policy, partisanship and the level of terrorist activities. More rigorously, we have the following:

²⁰Letting citizens be distributed in the same interval as the policy, is not a necessary assumption for the results to hold but a simplifying one.

²¹With many ‘pro-independentists, it is possible that the mean is close to 0.

Let i be a generic citizen. Then person i would support India if

$$v_{iI} + u_i(x_I) + Ai \geq v_{iP} + u_i(x_P),$$

where v_{iI} is the partisan preference of the citizen for India and v_{iP} is that for Pakistan, and $u_i(x)$ is his utility from the pliable policy x (division of Kashmir)²², where x_I is the policy (stance on the Kashmir issue) adopted by India, and x_P is that adopted by Pakistan. Everything else equal, partisanship captures the bias that a person has towards one country or another and as described above in section 2.1, it captures all non-policy (non-Kashmir, in this case) related concerns of the citizen that might affect well-being. This bias (or rather the difference in biases), is modeled to be probabilistic (as in probabilistic voting models) and drawn from a distribution, as described in section 4²³.

u_j is assumed to have a unique maximizer (preference is assumed to be single-peaked over policy x) and for simplicity I assume that the maximizers are increasing with i . Hence for any two voters j and k ,

$$j > k \iff \arg \max u_j(x) > \arg \max u_k(x).$$

For simplicity, we could assume, that $\arg \max u_i(x) = i$, i.e. all citizens at position $i \in [-1, 1]$ like the policy issue i most. This just means that smaller i 's like smaller x 's while higher i 's like more x .

Moreover, we assume, that terrorist activity A in IJK affects utility as follows: if $i < 0$ (i.e. policy-wise more pro-Pakistan), then increase in A will make chances of i support Pakistan more (since the LHS falls). If $i > 0$, then increase in A will make i more likely to support India (since LHS rises). Hence people who are pro-Pakistan policy-wise are likely to become more pro-Pakistan, while those pro-India policy-wise are likely to become more pro-Indian supporters. So basically, terrorism increases support for the cause of the terrorists among a part of the population (the ones who are pro-Pakistan on the policy front),

²²Notice that here we are using the stylized fact that there is no terrorist activity on the Kashmiris living in AJK. This might be because of the relatively small population in AJK, or the implicit support of most of Kashmiris in AJK to be a part of Pakistan.

²³If this were not the case, and policy would be the only consideration then, from the distribution of policy preferences we would know which citizen will support which country. Specifically citizens on $[0, 1]$ would support India and citizens on $[-1, 0]$ would support Pakistan (assuming equal or no terrorist activities).

while a part of the population begins to hate terrorism, and are more likely to support the government trying to stop it (the pro-India population)²⁴.

To help us obtain closed-form solutions, we make standard assumptions about functional and distributional forms. Let the i th citizen's preference over x be:

$$u_i(x) = -(x - x(i))^2,$$

where $x(i)$ is the most-preferred policy of i and utility falls the further one goes from $x(i)$. I also assume that the function $x(i)$ is differentiable with $x'(\cdot) > 0$ which means that the more rightward a citizen, the higher the x he prefers. For simplicity and without loss of generality, let $x(i) = i$, $\forall i$ (citizen i likes policy i most). Hence the utility from x for the i th voter is:

$$u_i(x) = -(x - i)^2.$$

Hence i supports India if

$$v_i \geq (x_I - i)^2 - (x_P - i)^2 - Ai$$

where $v_i = v_{iI} - v_{iP}$, and as standard in probabilistic voting models, v_i is assumed to be randomly chosen from a prior distribution that is known. Given a realization of v_i , policies x_I , x_P , and activity A , citizen i determines his allegiance either to India or Pakistan. Let

$$X_{(i)} = \begin{cases} 1, & i \text{ owes his allegiance to India} \\ 0, & \text{otherwise.} \end{cases}$$

Hence the share of population owing allegiance to India would be $\int_{-1}^1 X_{(i)} f di$. Specifically, as far as the Indian government is concerned with allegiance of the people of the valley (and since partisanship is random), it would be interested in $E \left(\int_{-1}^1 X_{(i)} f di \right)$.

The terrorist organization. Let the terrorist organization be a massless body²⁵ which undertakes terrorizing activities in IJK to influence x_I , the

²⁴In Iraq, for example, many people hold that the reason US could finally win the war was that terrorism was so unpopular among the citizens. The citizens suffered from terrorism, they started hating the terrorists and started supporting the US-backed government instead. In this model, $i > 0$ population will have this tendency.

²⁵There seems to be no consensus among scholars as to the national identity of the terrorists. Most of them are possibly from AJK or people from IJK who have crossed the LOC into AJK. And there may be quite a few Pakistanis. In any case both AJK and IJK, as constituents of J&K, legally are a part of India. Hence the U.S. State Department records

adopted policy of the Indian government regarding J&K. Now terrorist activities undoubtedly impose costs on the group (we assume convex costs²⁶) but nevertheless they contribute in a positive way to the utility of the group by minimizing the disutility from policies different from its favorite.

Specifically, we assume the following form²⁷ of the objective function of terrorist organization τ :

$$U_\tau = -(A - (x_I - x_\tau^*))^2 - c_\tau A^2,$$

where $A \geq 0$ is the amount of terrorist activity chosen, $x_\tau^* \in [-1, 1]$ is the favorite policy of the group, $0 < c_\tau$ is the constant per unit cost of activity so that $c_\tau A^2$ is the total cost for undertaking activity A . $-(x_I - x_\tau^*)$ is the disutility from a policy x_I different from τ 's favorite x_τ^* . (Notice that for simplicity, we assume this difference to be positive, that is, we consider the realistic case of the Indian government's policy being bigger than the favorite policy of the terrorist organization²⁸.) But now a level A is added to it and squared differences are taken. Notice that a positive A is meaningful whenever $x_I \neq x_\tau^*$. Moreover the greater the divergence $(x_I - x_\tau^*)$, the greater should A optimally be to reduce the disutility arising from a policy different from one's favorite. In case the policy adopted in IJK is exactly x_τ^* , the optimal A is 0. (Again differences are squared to ignore direction of divergences²⁹.)

The Indian government. The government could care about one or more of the following objectives (and we assume a simple additive form of the utility

Kashmir attacks as perpetrated by Indians, taking place in India, and targeting Indians (see [Krueger and Laitin 2008]). Presumably the Department believes that the attacks were carried out by Pakistanis or other foreign nationals, but the description in *Patterns of Global Terrorism* make them sound as if they were domestic because no foreign nation is mentioned. Whatever be the recognition, we assume here that in any case, their mass compared to the civilians in IJK is negligible (even though they may have sympathizers among the population) or that once they have chosen to become terrorists the government no longer considers them a part of the IJK civilian population, which it takes into consideration for deciding policies. This is also consistent with most approaches of other scholars (see [Krueger 2007] for example) where they assume the country of origin of terrorists to be Pakistan, and hence not a part of IJK population.

²⁶As we will see later, costs for the Indian government have been assumed to be linear. This is partly to ease calculations, without affecting results much. Partly this is also to reflect the relative strength of the Indian forces versus that of a terrorist organization.

²⁷No attempt has been made to derive the objective function of the terrorist organization by considering their constraints, their choices etc. The simplest form that captures the essential aspects of the working of such a group (as perceived from stylized facts about them) is used to derive results.

²⁸Like always, we could also assume disutility to be given by squared differences, $-(x_I - x_\tau^*)^2$, to take care of the direction of difference, but it only adds to algebraic cumbersome calculations without adding to the insight.

²⁹Again there could have been many other plausible specifications, and what I have used is just one plausible possibility.

function) - (i) allegiance of the people (see section A.2 for a possible justification), (ii) terrorism abatement costs, and (iii) policy. Let the weight the government puts on utility from allegiance be $\alpha \geq 0$, that on utility from abatement be $\beta \geq 0$, and that on policy be $\gamma \geq 0$ (so that $\alpha + \beta + \gamma = 1$). Call (α, β, γ) , the weight vector. Suppose, $\alpha > 0$, then higher is $E\left(\int_{-1}^1 X_{(i)} f di\right)$, higher would be government's utility. Let c_I be the per unit marginal cost of abatement, so that total cost for facing A level of terrorist activity is $c_I A$. Moreover, it incurs disutility for diverging from its most favorite policy ($x_I^* = 1$). Let this be given by $-(x_I - 1)^2$. Hence the objective function of the government will be as follows:

$$(1) \quad U_I = \alpha \left(-1 + E \left(\int_{-1}^1 X_{(i)} f di \right) \right) - \beta c_I A - \gamma (x_I - 1)^2.$$

Notice that the abatement and policy components of the utility enter negatively and hence if utility from allegiance would be specified as only the expected support (which is non-negative) then the only optimal weight vector would be $(\alpha = 1, \beta = 0, \gamma = 0)$. To avoid this obvious (and unrealistic) outcome, since the Indian government clearly did not try to maximize popular support in Kashmir, we assume that utility from allegiance to be the following³⁰:

$$\begin{aligned} & \text{Utility from allegiance} \\ &= -\text{Expected support for Pakistan} \\ &= -(1 - \text{Expected support for India}) \\ &= -1 + \text{Expected support for India} \\ &= -1 + E \left(\int_{-1}^1 X_{(i)} f di \right). \end{aligned}$$

Now notice that by putting $\alpha = 1$, $\beta = 0$ and $\gamma = 0$ we can get the altruistic extreme from (1) as given in (2). This would be the case if the Indian government acts like an allegiance-maximizing body (as it would in a competitive set-up), maximizing its support-base among the IJK citizens. In this case the objective function of the government, call it U_I^1 , will be as follows:

$$(2) \quad U_I^1 = -1 + E \left(\int_{-1}^1 X_{(i)} f di \right).$$

³⁰This also makes the utility function concave in x_I and makes utility maximization w.r.t. x_I for an interior solution, meaningful.

Similarly, (3) is obtained with $\alpha = 0$, $\beta = 1$ and $\gamma = 0$ in (1).

$$(3) \quad U_I^2 = -c_I A.$$

Here the government only derives utility (disutility) from terrorist activities A , and the sole the objective of the government is to minimize costs concerned with such activities.

(4) is obtained with $\alpha = 0$, $\beta = 0$ and $\gamma = 1$ in (1).

$$(4) \quad U_I^3 = -(x_I - 1)^2.$$

This indicates a government deriving utility (disutility) solely from the adopted policy.

The timeline in the game. The timeline in the game is as follows:

1. The Indian government chooses the weight vector (α, β, γ) such that $0 \leq \alpha \leq 1$, $0 \leq \beta \leq 1$, $0 \leq \gamma \leq 1$ and $\alpha + \beta + \gamma = 1$, and hence determines its objective function U_I .
2. The government then chooses policy x_I to maximize U_I .
3. The terrorist group τ chooses A to maximize U_τ .
4. Each citizen chooses allegiance.

We use backward induction to solve this game.

The Equilibrium. The equilibrium concept used is that of subgame perfect Nash equilibrium (SPNE). The SPNE will be given by a set of values $(\alpha^*, \beta^*, \gamma^*)$, together with a set of functions x_I^* , A^* and $X_{(i)}^*$ such that the

following is true:

For any x_I and A , given x_P and realization v_i ,

$$X_{(i)}^* = \begin{cases} 1, & \text{if } v_i + u_i(x_I) + Ai \geq v_i + u_i(x_P), \\ 0, & \text{otherwise;} \end{cases} \quad \forall i.$$

For any x_I

$$A^*(x_I) = \arg \max_A U_\tau(x_I, A).$$

$$x_I^* = \arg \max_{x_I} U_I^4 \left(x_I, A^*(x_I), E \left(\int_{-1}^1 X_{(i)}^*(x_I, A^*(x_I)) \right) \right).$$

$$(\alpha^*, \beta^*, \gamma^*) = \arg \max_{\substack{\alpha, \beta, \gamma \geq 0 \\ \alpha + \beta + \gamma = 1}} U_I^4 \left(x_I^*(\cdot), A^*(x_I^*(\cdot)), E \left(\int_{-1}^1 X_{(i)}^*(x_I^*(\cdot), A^*(x_I^*(\cdot))) \right), (\alpha, \beta, \gamma) \right)$$

where $x_I^*(\cdot) = x_I^*(\alpha, \beta, \gamma)$. Here x_P is exogenous to the model. Hence in any SPNE, for any given x_I and A , each citizen i determines his allegiance according to the best response rule $X_{(i)}^*$. For any given x_I , the terrorist organization τ chooses activity A according to A^* . Given $X_{(i)}^*$ and A^* , the government chooses x_I to maximize U_I^4 which turns out to be a function of (α, β, γ) . And finally, the government chooses (α, β, γ) to maximize U_I^4 . The next section, section 4, derives the function $X_{(i)}^*$. Proposition 1 lays down the forms of the functions x_I^* and A^* while proposition 2 finds $(\alpha^*, \beta^*, \gamma^*)$.

4. ANALYSIS

We use backward induction, and start by looking at the best response of a citizen. Given A and x_I , a citizen owes allegiance to India if $v_i \geq (x_I - i)^2 - (x_P - i)^2 - Ai$ (see section 3). Now let us assume, as in probabilistic voting models, that partisanship v_i is distributed according to some distribution which is known to the Indian government. For simplicity, I follow the standard distributional assumption that $v_i \sim U[\frac{\delta-1}{\rho}, \frac{\delta+1}{\rho}] \forall i$. This gives a uniform distribution with height ρ which measures the diversity of preferences for the fixed positions of the two nation states among the citizens of IJK, and a shift parameter δ which measures popularity of a country's fixed positions (image) on the whole. Hence a small ρ would mean a 'flatter' distribution with possibly many partisans. δ measures the overall popularity of the fixed positions of the countries. For example, if $x_I = x_P$ and $A = 0$, then i likes India if $v_i > 0$. Now if $\delta > 0$ the whole distribution is shifted towards being positive so that

India is more popular (since $v_i > 0$ is more likely to be realized) whereas if δ is negative, the distribution is shifted towards being negative which means Pakistan is more popular, based on the fixed images of the country only.

Hence we find that the probability i supports India will be given by

$$\begin{aligned} & \Pr(X_{(i)} = 1) \\ &= \Pr(v_i \geq (x_I - i)^2 - (x_P - i)^2 - Ai) \\ &= \frac{1}{2} + \frac{\delta}{2} - \frac{\rho}{2} (x_I^2 - x_P^2) + \rho i(x_I - x_P) + \frac{\rho}{2} Ai. \end{aligned}$$

Hence the share of expected support for India will be

$$\begin{aligned} & E \left(\int_{-1}^1 X_{(i)} f di \right) \\ &= \int_{-1}^1 (\Pr(v_i \geq (x_I - i)^2 - (x_P - i)^2 + A(i + 1))) f di \\ &= \frac{1}{2} + \frac{\delta}{2} - \frac{\rho}{2} (x_I^2 - x_P^2) + \rho \mu (x_I - x_P) + \frac{\rho}{2} A \mu. \end{aligned}$$

Next, we come to the optimization problem of τ . Given x_I , the optimal level of A from τ 's optimization problem, is given as follows:

$$A = \frac{x_I - x_\tau^*}{1 + c_\tau}.$$

(Please see appendix B for proof.) Hence we can find the optimal policy x_I from the government's objective functions. The following proposition summarizes the findings.

Proposition 1. *For any given weight vector (α, β, γ) , the levels of policy and activity in any SPNE (assuming conditions for interior solutions hold) will be as follows:*

$$(5) \quad x_I^* = \frac{4\gamma(1 + c_\tau) + \alpha\rho\mu(2(1 + c_\tau) + 1) - 2\beta c_I}{2(1 + c_\tau)(\alpha\rho + 2\gamma)}$$

$$(6) \quad A^* = \frac{1}{(1 + c_\tau)} \left[\frac{4\gamma(1 + c_\tau) + \alpha\rho\mu(2(1 + c_\tau) + 1) - 2\beta c_I}{2(1 + c_\tau)(\alpha\rho + 2\gamma)} - x_\tau^* \right].$$

(Please refer to appendix B for proof.)

Observation 1. Let x_I^1, x_I^2, x_I^3, x_I be the policies corresponding to the objective functions (2), (3), (4), (1) and let A^1, A^2, A^3, A be the corresponding levels of terrorist activities. Notice that by putting different weights equal to 0 we revive (2), (3) and (4) from (1), and maximizing these we get the following:

$$(7) \quad x_I^1 = \mu - \frac{1 + \mu}{2(1 + c_\tau)}; \quad A^1 = \frac{1}{1 + c_\tau} \left[(\mu - x_\tau^*) - \frac{1 + \mu}{2(1 + c_\tau)} \right];$$

$$(8) \quad x_I^2 = -1; \quad A^2 = 0;$$

$$(9) \quad x_I^3 = 1; \quad A^3 = \frac{1 - x_\tau^*}{1 + c_\tau};$$

Notice that by appropriately setting α, β and γ equal to 0 or 1, we can obtain (7), (8), (9), from (5).

Observation 2. If there was no terrorist activity, and we would be in the allegiance-maximizing scenario, then we have the usual political competition environment and as expected (with $A = 0$ in (2)), (2) yields the usual $x_I = \mu$, the favorite policy of the average voter.

Observation 3. In (7) we see that $x_I \neq \mu$. Since $x_I = \mu$ when $A = 0$, it means that the presence of terrorist activities, leads an allegiance-maximizing government to adopt policies different from the average policy due to presence of terrorist activities³¹.

Note that even if the government does not care about allegiance ($\alpha = 0$), (5) yields

$$x_I = 1 - \frac{\beta c_I}{2\gamma(1 + c_\tau)}.$$

This means $x_I < 1$. Hence when the government is only concerned with costs of curbing terrorism and the policy implemented, and not at all with allegiance of the people, still then the policy it adopts is not its favorite.

Observation 4. In case the government pursues (4) (utility from policy), the adopted $x_I = 1$, in which case activity $A = \frac{(1 - x_\tau^*)}{1 + c_\tau}$ is positive (as in (8)).

Observation 5. In case the government's sole objective is to curb costs of terrorism abatement, as in (3), it will concede to the demands of τ and there will

³¹There has been systematic studies as to how political outcomes are affected by terrorist activities. The research is not unanimous in its findings, but often they are often found to influence political outcomes (see [Krueger 2007] for many examples). For example, Berrebi and Klor find that terrorist attacks within three months of an election in Israel are associated with a 1.35 percentage-point increase in support for right-block political parties - a significant margin given the closeness of most Israeli elections. But notice that in this case Government maximizes allegiance and hence is like a political party in a country. But of course, in the case of Kashmir this may not be true. See [Frey 2004] which also has examples of unsuccessful terrorism.

be no further terrorist activities. As the reality in Kashmir suggests, the sole objective of the government clearly does not seem to be keeping total costs down.

Now we know the resultant policies for given choices of α , β and γ . The next proposition summarizes the different possibilities regarding choice of the weight vector (α, β, γ) such that $\alpha + \beta + \gamma = 1$.

Proposition 2. *Suppose ρ is small enough, then the weight vector*

$$(\alpha^*, \beta^*, \gamma^*) = (0, 0, 1)$$

maximizes U_I in any SPNE.

(Please refer to appendix C for proof.)

Notice we have assumed the height of the distribution to be very small, captured by $\rho \rightarrow 0$, which means that there are many many partisans on either side, but the mass of partisans at any one point is very very small. So we find, that given a thin distribution of partisans (and the shift parameter not very large which follows from the condition of interior solution), the government should ideally only care about policy. The resultant levels of policy and activity are as follows (obtained by putting $\alpha = 0$ in (5) and (6)):

$$x_I = 1$$

$$A = \frac{1 - x_\tau^*}{1 + c_\tau}.$$

Notice that none of these depend on the μ , the mean policy of the citizens.

This definitely seems to be the case in case of Kashmir. The more the government thinks that partisan preferences matter for allegiance, and not policy, the more it will not care about allegiance and abatement but only policy. And that the people of Kashmir are largely believed to be partisans is also undeniable. As the discussion about the preferences of the people in Kashmir (see 2.1) indicates, support is likely to be determined by one's religion, perceptions of tolerance of faiths etc., which all contribute to partisan preference, being directly unrelated to the preference for policy (a settlement of the Kashmir question) as such³².

³²This attitude was felt later on as well. For example, when Bakshi was the prime minister of J&K (while Sheikh Abdullah was in prison) he got financial support from the Government of India and undertook developmental projects: he partially restored free trade, eased food rations, abolished import duties on salt, raised government wages and promised investigation of corruption and reforms in education. Hydro-electric projects, medical and engineering

5. POLICY IMPLICATIONS

My conviction is that all of us.... must hope, pray, search and work so that, from these mountains of ashes in Kashmir, a phoenix will rise, not phantoms! - Usmaan Rahim Ahmed, "Generation Next: In Search of Phoenix Not Phantoms in Kashmir," *Greater Kashmir*, 2004, quoted in [Habibullah 2008].

As far as policy implications are concerned, two key insights emerge from the preceding analysis. First, and most importantly, policy stance of India on the Kashmir question does not seem to be crucial, as far as allegiance of the people of Kashmir is concerned. This is because the partisanship aspect of the total utility of a citizen far outweighs the utility from policy, and hence is likely to be the deciding factor. This means that a citizen owes allegiance to India (or Pakistan) just because he likes (has partisan preference for) India (or Pakistan), irrespective of his utility from the policy stance of India on Kashmir. This in turn means that allegiance can possibly be influenced in India's favor without India having to renege on the Kashmir issue. Hence there seems to be scope for what is known as 'confidence building measures'. These are various non-Kashmir related measures intended to improve the overall well-being of the people and hence directed at strengthening the relation between India and the Kashmiris. Such measures have potential to influence the partisanship (through improvement of non-Kashmir issues) and thereby to ultimately influence the allegiance. Naturally allegiance of the Kashmiris is beneficial since it will help India combat cross and within border terrorism against India.

This is not an easy proposition to perceive, leave alone to implement, but nevertheless this seems to be the only logical way to restore the faith of the masses in the Indian government and to curb disturbance in the area. Normalization does seem to be a pre-condition for democratization. Some of the suggestions therefore, from political scientists and careful observers of the Kashmir situation that has perpetually been caught in a panoply of complexities are as follows (see [Habibullah 2008] for details of such proposals):

(1) *Economic rejuvenation:* Kashmir's most important natural resource has been the biggest casualty of violence - its forests. The forests became major

colleges, roads across the valley, facilities for tourists and a tunnel at Banihall to improve communication with Jammu materialised. But, the impact on the public was mixed. Mir Qasim, then a cabinet minister recalls: The people were happy with our work but would not forgive us for the plight of the Sheikh and therefore would not fully co-operate in our development projects. (Quoted in [Hassan 2009]) This again seems to suggest a dominance of partisanship over policy preference.

infiltration routes since they span the mountain ridges across the LOC. Hence security often implied massive felling of trees, in addition to unlawful deforestation and business in variety of timbers. This had an effect in the water resources of the Valley as well, with springs drying up and waterways silting up. There are large untapped areas of fruit processing, power generation and hotel business, among others.

(2) Betterment of human rights: The psychological toll of violence on the people of Kashmir, especially children and women, is also huge. Post-traumatic stress disorder has become widespread. Experts are of the opinion that a vibrant state economy, with viable career opportunities, would be basic to any real regeneration. See [Ross 1997] for a discussion of how successful settlement of ethnic conflicts means that the parties themselves must actively work toward proposals which address both their competing interests and core identity needs.

(3) Policing arrangements and treatment of political prisoners: A violence begins to fall, Indian security presence should become minimal. Effective mechanisms for monitoring and enforcing compliance with human rights standards are essential. Release of political prisoners and an end to abuse of emergency regulations can also be an important confidence building measure.

Liberalizing and normalizing confidence building measures seem to be the need of the hour for any peace process to begin.

6. CONCLUSION

Although economic studies are not substitutes for political science studies, economic analyses are complementary and introduce a degree of theorizing and quantification that is needed for deeper understanding of observed phenomenon and meaningful approaches towards peace-making . In the case of Kashmir (and other contested lands in general), the above model predicts that if one nation-state perceives partisan preferences of the people in the conflicted land to be the determining factor of allegiance and not policy per se, then it will rationally only try to get close to its favorite policy.

Technique-wise we see that this otherwise standard technique, when applied to a very different context, can lend key insights into some of the salient aspects of contest over a contested land - how democratic nations perceive citizens' preferences, and their treatment of such people. The natural extension of this model would be to incorporate Pakistan as a player and incorporate its strategies in influencing those of India and the people of Kashmir. Role of

organizations like the ISI and other groups operating from AJK also seem to be no less important.

APPENDIX A. BACKGROUND: ORIGIN OF CONFLICT AND NEED FOR DEMOCRATIZATION

A.1. Origin of the conflict over Kashmir.

Peace and Paradise had clearly not been made for each other.

-From *Kashmir: Behind the Vale* by M.J. Akbar [Akbar 1991].

The conflict in Kashmir has been at the vortex of India-Pakistan politics, now for more than sixty years. A full account of the details of different phases of the conflict is beyond the scope of this paper so I will allude to the ones that are important for my model. Very briefly, the origin of the problem dates back to the independence of the subcontinent from Britain and its partition into India and Pakistan in 1947. Till then Jammu and Kashmir (J&K) was among the largest of 562 so-called princely states in the Indian subcontinent (see [Ramusack 2004] for details) that were under the “indirect rule” of the British. This meant that the potentates were allowed to rule the kingdom/fiefdom in exchange for acknowledging the “paramountcy” of the British rule.

With the lapse of the British “paramountcy”, and the birth of two independent “Dominions”, India and Pakistan in August 1947, the princely states were technically free to accede to either Dominion, or to become independent states. However, Lord Mountbatten, the last British administrator of India, was unequivocal that remaining independent was really no option and urged the rulers to make a decision to accede to one or the other Dominion after evaluating geographical contiguity to India or Pakistan, and the wishes of their subjects. The choice was straightforward for practically all princely states - except J&K.

J&K was territorially contiguous to both India and Pakistan. However the population was 77% Muslim (according to 1941 census of the British) favoring accession to Pakistan. But presence of other political factors complicated matters. First, the ruling family in J&K, the legal authorities to decide the accession issue, were ethnic

Dogras, upper-caste Hindus from the Jammu region³³. And second, there was the predominance of the All-Jammu and Kashmir National Conference (NC), a regionalist movement with ties to left-wing, republican elements in the Indian National Congress.

However by October 1947, there were huge infiltrations from across the border especially in the Rawalpindi zone, with looting and attacking of Hindu and Sikh minorities, in which Pakistan denied to have any involvement. The *maharaja's* administration sent an urgent request to New Delhi for military assistance to repulse the raiders. But military intervention prior to accession would tantamount to Indian invasion of a neutral territory, in legal terms. So the *maharaja* signed the formal "Instrument of Accession" to India - ceding to the federal government, jurisdiction over defense, foreign affairs, and communications - on the basis of which Indian military units could defend J&K.

On hearing of India's military intervention, Pakistan deployed regular army in J&K, but since J&K was legally and constitutionally a part of India, this amounted to declaration of war on India, and thus was the commencement of the 1st Indo-Pak war over Kashmir in January 1949. Since the end of this war, the territory has been divided into Indian-controlled Jammu and Kashmir (IJK), comprising the regions of the Kashmir Valley, Jammu and Ladakh (with approximately 10 million people), and a smaller area under Pakistani control, "Azad" Jammu and Kashmir (or AJK), with a population of about 3 million. The dividing line between IJK and AJK originated as the ceasefire line in 1949, which has been marginally altered during the India-Pakistan wars in 1965 and 1971, was renamed the Line of Control (LOC) by India-Pakistan agreement in July 1972. And thus was the beginning of an incessant story of reprisals and violence in Kashmir.

³³Some handful other princely states also had rulers and subjects belonging to different religions. But territorial location or majority of Hindu subjects settled the accession in favor of India. Some states like Junagadh (80% Hindu) in western India, and Hyderabad (87% Hindu) in southern India, held out due to recalcitrance of their Muslim rulers. In case of Junagadh, the leader acceded to Pakistan and then fled there. In case of Hyderabad, the ruler stalled for a year, but the Indian army invaded in 1948 and settled the matter.

Over the years to come, both India and Pakistan have chosen to make Kashmir the cornerstone of their respective identities as states (see [Kaplowitz 1990] for an analysis on how such ‘self-images’ contribute to conflicts). Since India has held itself to be an inclusive, secular state, it thinks its image would be grievously damaged without IJK, the only Muslim-majority unit of the Indian Union. Pakistan again was conceived as a homeland for the Muslims of the subcontinent, and has always held that it is ideologically and territorially incomplete without Kashmir. In the maximalist versions, Kashmir is claimed to be India’s *atoot ang* (integral part) and Pakistan’s *shah rag* (jugular vein). Hence a territory with only 1% of the total population of India and Pakistan, has been symbolically transformed into the cornerstone of the nationhood of both of them.

However, this paper does not aim to capture the dimensions of such India-Pakistan conflict, but rather focus on interactions within IJK. [Bose 2003] urges to “take account of the great diversity and complexity of society and politics *within* Jammu and Kashmir” and move beyond the territorial-dispute frame of mind, to understand the issues.

A.2. The need for democratic considerations. By democratic considerations in this context, we mostly mean the kind of institutions that might be expected in a democratic set up like political space, freedom to express dissent, form oppositions, human rights enforcements etc. - the kind of facilities that are likely to keep most of the people content to a large extent, and not turn them against the government. Many authors like [Li 2005] and [Wade and Reiter 2007] have studied the effect of democracy on (transnational) terrorism³⁴. Increasing democratic participation “increases satisfaction and political efficacy of citizens, reduces their

³⁴[Wade and Reiter 2007] find that regime type is uncorrelated with suicide terrorism. [Li 2005] finds that by improving citizen satisfaction, electoral participation, and political efficacy, democratic governments can reduce the number of terrorist incidents within their borders. While limiting civil liberties does not lead to the expected decline in terrorist attacks, as is sometimes argued. The argument is that democratic countries would provide relatively more freedom of speech, movement, and association, permitting parochial interests to get organized and reducing the costs of conducting terrorist activities. [Li 2005] argues that strategic terrorists simply select alternative modes to engage in violence.

grievances, thwarts terrorist recruitment, and raises public tolerance of counterterrorist policies” [Li 2005], while reducing it, is likely to not only distance the citizens from the government, but also not have any compensatory reduction in terrorism. Hence creating a ‘democratic deficit’ is likely to prove quite negative in its impact by distancing citizens without reducing cross-border terrorism. The government should ideally ensure such democratic institutions if it cares about the allegiance of the people. It probably would in a context of competing political parties standing in an election. However since the actual set-up in our context, is really not a democratic one, and people in IJK are really not choosing between India and Pakistan in an election, there is no reason for India to have to vie for allegiance of the citizens of IJK (and provide them with democratic institutions). In other words, India could be, as it has been, dictatorial at times in its treatment of IJK (given more or less all political parties within India have the same stance towards the Kashmir issue).

However, as mentioned above, we argue that support-maximizing motivation is prudent for the government (and hence the need for democratic considerations), even in the absence of an election, since it keeps insurgency low and lessens the costs of counter-insurgency in different ways³⁵, as described below.

The root of crisis that erupted in 1989 - 1990 is often said to be a ‘democratic deficit’ - the denial of democratic rights and institutions to the people of J&K, particularly those of IJK. This happened as follows: Firstly, denial of democratic space leaves no peaceful outlet for grievances and men turn to violence as a last resort. With the partial exceptions of 1947 - 1953 and 1977 - 1984, New Delhi elites have ruled the territory through a combination of ‘direct control and intrusive intervention, and through sponsorship of intermediary IJK governments unrepresentative of and hence unaccountable to the population’. This policy of throttling democracy seemed to have stemmed from the fear of Pakistani designs, and from suspicion of the allegiances of most of the population IJK. This led to severe retardation of democratic

³⁵Moreover, peace in the region, can only follow an amicable integration of IJK within the Indian Union. This can hardly happen, as long as India remains blind to the needs and desires of the people of IJK. So to allow for the possibility of the government becoming concerned with the aspirations and allegiance of the people, we rationalize how popular support might be beneficial for the Indian government as well.

institutions like the right of franchise, participation and representation in IJK. This was coupled by systematic elimination of IJK's autonomous regime - coercive "integration" effected via compliance of client IJK governments³⁶. Such strategies of the Indian government have turned their fear of separatism into a tragically self-fulfilling prophecy.

It is indisputable that the functioning of political opposition is essential to any democracy and peaceful turnover following an election is a "*sine qua non* of democratic politics", and an essential outlet for dissent. The political scientist Juan Linz has advanced a threefold typology of political oppositions to regimes: loyal, semi-loyal, and disloyal. Given the sovereignty issue over Kashmir and the presence of pro-independence and pro-Pakistan factions, the best India could have hoped for would have been a "semi-loyal" opposition to Indian policy³⁷. But the cynical authoritarianism of Indian policy slowly fostered radicalization and emergence of a "disloyal" opposition that rejected the entire political framework as corrupt, denounced Indian authority over IJK as illegitimate and tried to overthrow it³⁸.

But the severe and indiscriminate nature of Indian repression during 1990 to curb this revolt³⁹, led thousands of young men to cross the LOC in search of weapons

³⁶[Akbar 2003] writes: "The government of Jammu and Kashmir, during the period of the Sheikh's jail term, gave up even pretending to be democratic. Elections, of course, had to be held under the law, but they were blatantly fixed to prevent pro-Abdullah candidates from winning. In a letter, ... Nehru himself wrote to Bakshi Ghulam Mohammad after his National Conference had 'won' almost all the seats in the 1962 elections [70 out of 75, to be precise]: 'In fact it would strengthen your position much more if you lost a few seats to bona fide opponents'." In fact in the 1962 election, the number of constituencies with just one contestant was 34. Such patterns continued to get repeated. In 1967 elections, INC won 61 of 75 seats, in 1972, 58 out of 71.

³⁷For example, the MUF (Muslim United Front) of 1987 included pro-independence and pro-Pakistan groups but was committed to participation in Indian-sponsored institutions and political processes. Similarly, IJK's Jama'at-i-Islami, which is ideologically pro-Pakistan, nevertheless contested Legislative Assembly elections in 1972, 1977, and 1983, as well as under the MUF umbrella in 1987.

³⁸For example, in the 1990 it was essentially the old National Congress - Plebiscite Front brand of politics, radicalized under the leadership of a militant younger generation, that rebelled against India and it had a manifestly popular nature. Again, that was how Jama'at-i-Islami political worker and would-be legislator Yusuf Shah metamorphosed into the Hizb-ul-Mujahideen commander Syed Salahuddin, and MUF campaign volunteer Yasin Malik was transformed into a leader of JKLF's armed struggle for independence.

³⁹The response of the Indian state turned the relationship between India and Kashmir into an occupier-occupied relationship. Between July and September 1990 the Valley was brought under the purview of martial law, as the Indian government enacted an Armed Forces Special Powers Act and a Disturbed Areas Act to back up existing IJK emergency regulations and

and training. In an unexpected windfall for the ISI (the Pakistani military's Inter-Services Intelligence) sizeable number of youth from IJK, for the first time since 1947, were willing to take up arms against the Indian rule. ISI operatives assisted JKLF (the leading pro-independence group) to launch the insurrection, and JKLF saw Pakistan as a strategic ally.

Secondly, and related to the first point, the denial of democratic space also led to the spread of 'cross-border' terrorism. By late 1990's there was an alarming proliferation of armed groups in the Valley. But JKLF, the vehicle of the anti-India uprising was fiercely pro-independence. Hence gradually from 1991 the ISI cut off aid to JKLF and adopted a twin-track strategy to mould the Valley uprising in a pro-Pakistan fashion. The first was to divide and weaken the JKLF by encouraging pliable and extremist elements to break away from JKLF (and by 1991 two such factions had emerged). The second was to build up a pro-Pakistan guerilla organization operating in the Valley, the Hizb-ul Mujahideen (HM), that could rival and then displace JKLF. By 1993 the ISI had further diversified its Kashmir portfolio by encouraging other zealot Islamic groups based in Pakistan. These Islamist insurgent groups, organizationally centered in Pakistan, composed primarily of non-locals, who were frequently alumni of fundamentalist *madrasas* (religious seminaries) in Pakistan. These groups are led by religious zealots like Hafiz Muhammad Sayeed of Lashkar-e-Taiba (LeT) and Maulana Masood Azhar of Jaish-e-Mohammad(JeM), and their motivation is of a radical Islamic character. These tell us how throttling democratic institutions can prove harmful. Next we consider how democratic institutions and the related allegiance of the people can be beneficial.

By 1993, JKLF's prominence was under siege and crumpled under pressure from Indian security forces and growing weakness in its own strength, and HM had clearly come out as the dominant guerilla group in the armed struggle. In fact, in 1994 JKLF declared ceasefire and laid down its arms. However violence in IJK did not stop. HM continued the armed struggle against India, but not for independence, rather for bringing Kashmir under Pakistan which enjoyed minority support even among

its own draconian law, the Terrorism and Disruptive Activities (Prevention) Act. But most Indian counterinsurgency operations in the Valley made no reference to any law whatsoever.

the Muslims of J&K. “We don’t want to exchange one *gulami* [slavery] for another”, [Bose 2003] seemed to be the general sentiment. One Qazi Nissar, a respected cleric who “accused HM of holding Kashmir to ransom, to hand over to Pakistan on a plate”, was assassinated. More and more pro-independence leaders got assassinated and mass fury against Pakistani designs gradually gained momentum.

By the middle of the 1990’s, the general sense was as follows “in the end, Pakistan’s policies may push Kashmir, however reluctantly, deeper into India’s fold.” In fact many ‘renegades’ were born by mid-1990, who were guerillas that gave up struggle against India and enlisted as auxiliaries in the Indian war on insurgency. Most of them were genuinely disillusioned by what they perceived as Pakistan’s corrupting influence on struggle and the willingness of the pro-Pakistan hard core to perpetrate violence against those among their own people who did not agree with them⁴⁰. Two such groups of counterinsurgents, known as “pro-India militants” and “Ikhwanis”, emerged which were a great help for India. [Bose 2003] writes “For the first time since the eruption of insurgency, Indian authorities had the benefit of local collaboration.” The military tide seemed to have turned in the Kashmir war and almost normalcy returned in the Valley and neighboring.

But as insurgency faltered in the Valley, the post-1995 generation of infiltrating militants began to pay greater attention to the borderlands of Rajouri and Poonch. And as violence and repression in the name of counterinsurgency engulfed the area, infiltrators from Pakistan and AJK began to acquire some support among local Muslims. This bring us to the fourth point, which is that not only was democracy at stake, but so was human rights (see [The Human Rights Crisis in Kashmir 1993] for details on deterioration of the human rights scenario in IJK during this time). The general sentiment in the borders of Rajouri and Poonch is well reflected in the following words of Majid Khan, a popular trade union leader. (in words poverty and coercion human rights violation turned them to sympathizers)

⁴⁰Some of these people included front-ranking militants who had been active in pro-Pakistan guerilla groups. For example, in May 1996 two former commanders of the Muslim Jaanbaaz Force and Al-Jehad, and one former commander of HM, publicly gave up struggle and resumed civilian lives.

There is a socioeconomic basis for militancy here. Most people are quite poor, and often lack drinking water, educational opportunities, and health care. The local administration and India-backed politicians are usually callous to their needs... Here, in a border area of a disputed territory, grievance finds a different outlet. Humiliating experiences at the hands of the army can turn people into guerilla sympathizers and even active militants in some cases.

[Bose 2003] concludes therefore that

[T]he policies of the Indian state [of undemocratic intervention] have been crucial to the eruption, spread, decline, and renewal of insurgency. The Pakistani state's manipulative and malign interventions have also had an important effect on the trajectory of conflict, but the Indian state's role has been crucial to both the shaping of the "internal" conflict and its radicalization and trans-nationalization... (pg 161)

But then the good news is that the approach in any peace-building process should start out by reverting the 'occupier-occupied' relation to a 'representative-represented'.

[Bose 2003] therefore says,

[Hence] reframing the Kashmir question as a challenge for *democratic* politics and statecraft implies that real and relevant methods of democratic institutionalization and conflict resolution can potentially be brought into play... (pg 7)

APPENDIX B. PROOF OF PROPOSITION 1

Proof. For any given policy x_I of the government, the maximization problem of τ is as follows:

$$\max_A U_\tau = -(A - (x_I - x_\tau^*))^2 - c_\tau A^2.$$

The FOC for maximization (there exists an interior solution as long as $-1 < \delta < 1$, which we assume holds) would be:

$$-2(A - (x_I - x_\tau^*)) - 2c_\tau A = 0$$

$$\text{Or, } A = \frac{x_I - x_\tau^*}{1 + c_\tau}.$$

Now, substituting A from above and $E \left(\int_{-1}^1 X_{(i)} f di \right)$ as derived in section 4, in the objective function of the government given by (1), we get the following:

$$\begin{aligned} U_I^4 = & \alpha \left(\frac{\delta}{2} - \frac{1}{2} - \frac{\rho}{2} (x_I^2 - x_P^2) + \rho\mu(x_I - x_P) + \frac{\rho}{2} \frac{(x_I - x_\tau^*)}{1 + c_\tau} \mu \right) \\ & - \beta c_I \frac{(x_I - x_\tau^*)}{1 + c_\tau} - \gamma(x_I - 1)^2. \end{aligned}$$

Differentiating the above w.r.t x_I , the FOC for maximization (assuming an interior solution) is as follows:

$$\alpha \left(-\rho x_I + \rho\mu + \rho \frac{\mu}{2(1 + c_\tau)} \right) - \frac{\beta c_I}{1 + c_\tau} - 2\gamma(x_I - 1) = 0.$$

On simplification, this yields

$$x_I^* = \frac{4\gamma(1 + c_\tau) + \alpha\rho\mu(2(1 + c_\tau) + 1) - 2\beta c_I}{2(1 + c_\tau)(\alpha\rho + 2\gamma)}$$

Substituting this in the expression for A and simplifying yields:

$$A^* = \frac{1}{(1 + c_\tau)} \left[\frac{4\gamma(1 + c_\tau) + \alpha\rho\mu(2(1 + c_\tau) + 1) - 2\beta c_I}{2(1 + c_\tau)(\alpha\rho + 2\gamma)} - x_\tau^* \right].$$

■

APPENDIX C. PROOF OF PROPOSITION 2

Proof. Consider (1) and suppose $\rho \rightarrow 0$. Then we see that

$$\begin{aligned} A & \rightarrow \frac{2\gamma(1 + c_\tau)(1 - x_\tau^*) - \beta c_I}{2\gamma(1 + c_\tau)^2} \\ x_I & \rightarrow 1 - \frac{\beta c_I}{2\gamma(1 + c_\tau)}. \end{aligned}$$

Note that $-1 \leq x_I \leq 1$. Hence we get the following:

$$x_I = \begin{cases} 1 - \frac{\beta c_I}{2\gamma(1+c_\tau)}, & \text{if } \beta c_I \leq 4\gamma(1+c_\tau) \\ -1, & \text{otherwise.} \end{cases}$$

Similarly, A will be as follows:

$$A = \begin{cases} \frac{x_I - x_\tau^*}{1+c_\tau}, & \text{if } x_I \geq x_\tau^* \\ 0, & \text{otherwise.} \end{cases}$$

Substituting for x_I , we get the following:

$$A = \begin{cases} \frac{2\gamma(1+c_\tau)(1-x_\tau^*) - \beta c_I}{2\gamma(1+c_\tau)^2}, & \text{if } \beta c_I \leq 2\gamma(1+c_\tau)(1-x_\tau^*) \\ 0, & \text{otherwise.} \end{cases}$$

Notice that the values of x_I and A depend on the values of $\frac{\beta}{\gamma}$. Also notice that $1 - x_\tau^* < 1 < 2$ implies that $2\gamma(1+c_\tau)(1-x_\tau^*) < 4\gamma(1+c_\tau)$. Hence combining the bounds for x_I and A , we get the following three possible mutually exclusive and collectively exhaustive cases:

C.1. $0 < \frac{\beta}{\gamma} < \frac{2(1+c_\tau)(1-x_\tau^*)}{c_I}$. In this case

$$x_I = 1 - \frac{\beta c_I}{2\gamma(1+c_\tau)}$$

$$A = \frac{2\gamma(1+c_\tau)(1-x_\tau^*) - \beta c_I}{2\gamma(1+c_\tau)^2}.$$

C.2. $\frac{2(1+c_\tau)(1-x_\tau^*)}{c_I} < \frac{\beta}{\gamma} < \frac{4(1+c_\tau)}{c_I}$. Here

$$x_I = 1 - \frac{\beta c_I}{2\gamma(1+c_\tau)}$$

$$A = 0.$$

C.3. $\frac{4(1+c_\tau)}{c_I} < \frac{\beta}{\gamma}$. Here

$$x_I = -1$$

$$A = 0.$$

Moreover we see that (in all the above cases)

$$(10) \quad \left[-1 + E \left(\int_{-1}^1 X_{(i)} f di \right) \right] \rightarrow \frac{\delta}{2} - \frac{1}{2}.$$

Let us look at C.1 now. Substituting x_I , A in this case and (10), we get the following:

$$U = \alpha \frac{\delta - 1}{2} - \frac{\beta c_I (1 - x_\tau^*)}{1 + c_\tau} + \frac{\beta^2 c_I^2}{4\gamma(1 + c_\tau)^2}.$$

Putting $\beta = 1 - \alpha - \gamma$, we get the following:

$$(11) \quad U = \alpha \frac{\delta - 1}{2} - \frac{(1 - \alpha - \gamma) c_I (1 - x_\tau^*)}{1 + c_\tau} + \frac{(1 - \alpha - \gamma)^2 c_I^2}{4\gamma(1 + c_\tau)^2}.$$

Differentiating (11) w.r.t α , we get the following:

$$\frac{\partial U}{\partial \alpha} = \frac{\delta - 1}{2} + \frac{c_I (1 - x_\tau^*)}{1 + c_\tau} - \frac{(1 - \alpha - \gamma) c_I^2}{2\gamma(1 + c_\tau)^2}.$$

Rearranging terms we get $\frac{\partial U}{\partial \alpha} \geq 0$ if

$$\frac{1 - \alpha - \gamma}{\gamma} \leq \frac{2(1 + c_\tau)(1 - x_\tau^*)}{c_I} - \frac{(1 - \delta)(1 + c_\tau)^2}{c_I^2}.$$

Similarly, $\frac{\partial U}{\partial \alpha} \leq 0$ if the opposite holds.

Again, differentiating (11) w.r.t. γ we get the following:

$$\frac{\partial U}{\partial \gamma} = \frac{c_I (1 - x_\tau^*)}{1 + c_\tau} - \frac{c_I^2}{4(1 + c_\tau)^2} \left[2 \left(\frac{1 - \alpha - \gamma}{\gamma} \right) - \left(\frac{1 - \alpha - \gamma}{\gamma} \right)^2 \right].$$

Rearranging terms and simplifying, we get $\frac{\partial U}{\partial \gamma} \geq 0$ if

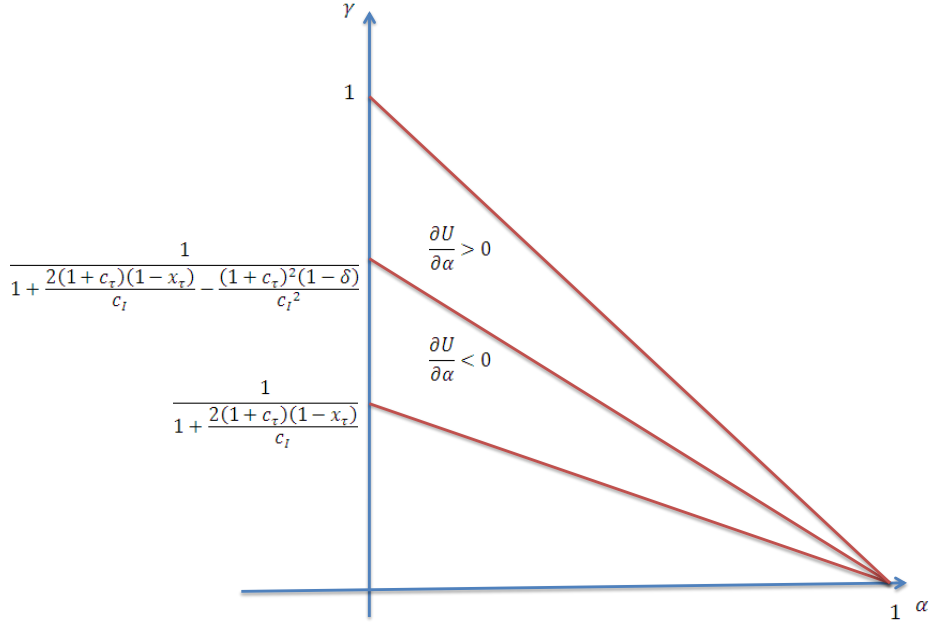
$$\frac{1 - \alpha - \gamma}{\gamma} \leq \sqrt{\frac{4(1 + c_\tau)(1 - x_\tau^*)}{c_I} + 1} - 1.$$

Similarly, $\frac{\partial U}{\partial \gamma} \leq 0$ if the opposite holds. Notice that we are in the case where

$$\frac{\beta}{\gamma} < \frac{2(1 + c_\tau)(1 - x_\tau^*)}{c_I} \text{ or } \frac{1 - \alpha - \gamma}{\gamma} < \frac{2(1 + c_\tau)(1 - x_\tau^*)}{c_I}.$$

Now $\frac{2(1 + c_\tau)(1 - x_\tau^*)}{c_I} - \frac{(1 - \delta)(1 + c_\tau)^2}{c_I^2} < \frac{2(1 + c_\tau)(1 - x_\tau^*)}{c_I}$ and $\sqrt{\frac{4(1 + c_\tau)(1 - x_\tau^*)}{c_I} + 1} - 1 < \frac{2(1 + c_\tau)(1 - x_\tau^*)}{c_I}$.

Graphically we get the following in the $\alpha - \gamma$ plane:



We conclude that the maximizer will either be on the line $\alpha + \gamma = 1$ or $\alpha + (1+C)\gamma = 1$ where $C = \frac{2(1+c_\tau)(1-x_\tau^*)}{c_I}$. Combined with the direction of increase of U in the relevant range, the possible optimal weight vectors are

$$(\alpha = 0, \beta = 0, \gamma = 1)$$

or

$$\left(\alpha = 0, \beta = 1 - \gamma, \gamma = \frac{1}{1 + \frac{2(1+c_\tau)(1-x_\tau^*)}{c_I}} \right).$$

But

$$U|_{(\alpha=0, \beta=0, \gamma=1)} = 0.$$

(Notice that at this weight vector x_I turns out to be equal to 1.)

$$U \left(\alpha=0, \beta=1-\gamma, \gamma = \frac{1}{1 + \frac{2(1+c_\tau)(1-x_\tau^*)}{c_I}} \right) = -\frac{c_I(1-x_\tau^*)^2}{c_I + 2(1+c_\tau)(1-x_\tau^*)} < 0.$$

Hence, the optimal weight vector in this case is $(\alpha = 0, \beta = 0, \gamma = 1)$. That is, the government puts the entire weight on maximizing its utility from policy and proposes $x_I = 1$.

Let us consider C.2 now. Recall that in this case, $x_I = 1 - \frac{\beta c_I}{2\gamma(1+c_\tau)}$ and $A = 0$.

Substituting the values we get

$$U = \alpha \frac{\delta - 1}{2} - \frac{(1 - \alpha - \gamma)^2}{\gamma} \frac{c_I^2}{4(1 + c_\tau)^2}.$$

Analyzing as before, $\frac{\partial U}{\partial \alpha} \geq 0$ if

$$\frac{1 - \alpha - \gamma}{\gamma} \geq \frac{(1 - \delta)(1 + c_\tau)^2}{c_I^2}.$$

And also we get

$$\frac{\partial U}{\partial \gamma} = \frac{c_I^2}{4(1 + c_\tau)^2} \left[2 \left(\frac{1 - \alpha - \gamma}{\gamma} \right) + \left(\frac{1 - \alpha - \gamma}{\gamma} \right)^2 \right]$$

which is always positive. The optimal weight vector in this case turns out to be $\left(\alpha = 0, \beta = 1 - \gamma, \gamma = \frac{1}{1 + \frac{2(1+c_\tau)(1-x_I^*)}{c_I}} \right)$ but we have seen that U at this vector is < 0 , and hence the weight vector can never be chosen in this region.

Let us turn to C.3 now. Here $x_I = -1$ and $A = 0$. Here we get

$$U = \alpha \frac{\delta - 1}{2} - 4\gamma,$$

so that both $\frac{\partial U}{\partial \alpha}$ and $\frac{\partial U}{\partial \gamma}$ are < 0 . Hence $(\alpha = 0, \beta = 1, \gamma = 0)$. This means that the government has adopted Pakistan's favorite, there is no terrorist activity and the government puts the entire weight of its objectives in abatement when there is no activity to abate. Of course, this case is a bit far off from reality.

Hence we conclude that the only realistic outcome under strong partisan preferences is for the government to care only about its policy, i.e. to choose a weight vector $(\alpha = 0, \beta = 0, \gamma = 1)$.

■

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