

## **Pak-India Trade Relations: From Rivalry to Friendship\***

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### **Abstract**

*Pakistan and India are two neighboring countries, whose inhabitants share a long history and have many commonalities, but relations between both the countries have been strained by different activities and issues since birth of the two. Like other relations the Trade relations between Pakistan and India have never been good and productive since last six decades. This has hampered the economy of Pakistan and India, and has contributed a lot to the increasing level of poverty in both the countries. Using the lens of commercial peace theory, this study explores that Trade relations between Pakistan and India need a revival to combat the economic problems of the people on both sides of the border. Also it argues that trade, in spite of its economic benefits will contribute to peace between the countries and the region. It explains that there is a long list of issues contributing to this situation, needing focus to achieve the target of peaceful trade relations. This study focuses only three important of these i.e. Chabahar Port Project verses Gawadar Port, Most Favored Nation status (MFN) issue and Regional Politics involved in this regard. Furthermore this paper will give a list of suggestions important for improving the present status of Pak-India trade relations. It subsequently argues that both the countries shall enhance bilateral trade to foster peace in the region, as is advocated by commercial peace theory.*

**Keywords:** Pak-India trade relations, Sub-continent, Most Favored Nation status.

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### **Introduction**

It is a known fact that South Asian security structure has been marked by Pak-Indian rivalry, mistrust and violence.<sup>1</sup> It serves as the backdrop for instability and tension across South Asia. The incident of 11<sup>th</sup> September 2001 has opened another front (Afghanistan) for India and Pakistan to tight their muscles and involve in another asymmetrical warfare.<sup>2</sup> Both have a long history of rivalry which not only has polluted their relationships but the environment of the whole region.<sup>3</sup> This rivalry is attributed to a list of issues between India and Pakistan, which includes territorial issues, extremism across the border, ethno religious and Ideological differences, competition for economic resources, Kashmir issue, and last but not the least Pakistan's ever sturdy relationships with the People Republic of China.<sup>4</sup> It is a reality that at the end of cold war geo politics turned from politics of securitization to economic development.<sup>5</sup> But in case of Pakistan and India sustainable economic growth through mutual trade has consistently been ignored.

Pakistan's augmented trade with India is having potential for so many areas. These include increase in the economic growth, political stability, improved Social services, economic integration, more space for settlement of disputes, reduction in expenses on defense, enhanced peace in both the countries, prosperity, a better position on territorial issues and so many others.<sup>6</sup> The benefits of the bilateral trade are not only limited to Pakistan and India but to the whole South Asian region in integrating its different states and bringing peace to the region.<sup>7</sup> This bilateral trade is also seen to have a potential for peace and stability in the region along with good use of resources among the states in South Asia.

The study after elaborating briefly the theoretical framework will shed light on three important issues (for trade and peace) between India and Pakistan. These include Chabahar port project, Most Favored Nation status and Regional politics. We will conclude with suggestions In the light of this analysis.

### **Theoretical Framework**

Commercial peace theory advocates that increasing interdependence among states, individuals and communities has a potential for increasing bilateral peace between them. Trade between states, thus can help in the reduction of conflicts between them and foster peace. The case of trade relations between India and Pakistan can be analyzed in the light of understandings developed by Commercial peace theory.

This next part of the study focuses on Chabahar port project, MFN status issue and Regional politics of South Asia, to explain their impacts on trade between Pakistan and India, linking it with peace in the region.

### **Chabahar Project**

Before going into the analysis of Chabahar port's project and its position, we briefly background it with Gawadar Port project. It was in March 2002 that Pakistan in a move to lift its strategic-economic positions started a port project with China in Gawadar.<sup>8</sup> Gawadar is a district in Baluchistan Pakistan. Geographically it is located at 72 kilometers away from the border of Iran, 320 kilometers from Oman and 400 kilometers from the Strait of Hormuz. From Karachi its located distance is 460 kilometers on western side.<sup>9</sup> The sea port of Gawadar links Pakistan with Afghanistan, Central Asian republics, Persian Gulf, China, South East Asia and other regions. This makes it an economic and commercial hub for the region. Along with this, the region has a strategic value of being connecting Western Asia, Central Asia and South Asia.

Seep Akhtar Channer a member of Youth Parliament Pakistan in a report of Parliamentary committee on Gawadar strategic importance argued that the location (position) of Gawadar (being only 180 miles away from the exit of Straits of Hormuz) will enable Pakistan to take control over world energy-jugular and interdiction of Indian tankers. It carries greater importance to provide mass trade to Central Asian states through China, Afghanistan and Pakistan.<sup>10</sup> Likewise Former President of Pakistan Perviz Musharraf, on 22nd March, 2002 highlighting the importance of this area and this project stated that

*"If we see this whole region, it is like a funnel. The top of the funnel is this wide area of Central Asia and China's western region. And this funnel gets narrowed on through Afghanistan and Pakistan and the end of this funnel is Gawadar port. So this funnel, futuristically, is the economic funnel of this whole region".<sup>11</sup>*

The deep sea port in Gawadar is viewed as a future commercial hub of the region. It provides a commercial link route linking Central Asian states with South East Asia, along with, Xinjiang of China, Afghanistan, the Persian Gulf of Iran and the Middle East.<sup>12</sup> Thus it has immense commercial and economic value. The highway routes connected with it reduces the distance by around

500 Kilometers.<sup>13</sup> Thus it is an important project that has increased and facilitated Pakistan's as well as China's trade with the landlocked Central Asian Republics and Afghanistan. Likewise it has brought two regional states i.e. Pakistan and China very close to each other both economically as well as strategically.<sup>14</sup>

In the backdrop of this growing rate of friendship and cooperation between Pakistan and China was not viewed by rival state of China and Pakistan in the region, i.e. India. As a reaction to this, India started a similar project with Iran in Chabahar. The port of Chabahar is located in the south of Baluchistan province of Pakistan.<sup>15</sup> In past even, this place was used as a center of trade activities, business and navigation.<sup>16</sup>

The plan of Chabahar port was framed and signed in 1973.<sup>17</sup> It was due to Islamic revolution in Iran and some other reasons that the project was stopped and got delayed. In 1983, the port started its operation. Initially four jetties were operational.<sup>18</sup> It was in the subsequent Iran Iraq war that the state of Iran realized the importance this port for imports and exports of Iran.<sup>19</sup> In the midst of all this, China's growing military and economic power that has spawned Chinese nationalism is an obvious risk to the evolving bilateral dynamics that can create ripple effects with a potential risk of a conflict. The research uncovers that due to China's long term objective of becoming a super power, her stated intentions of 'peaceful rise'<sup>20</sup> and on the other side taking into account the strategic preparedness of India, Sino- India border confrontation seems improbable in the foreseeable future. Both nations are trying to work through the myriad differences and are focusing on increased economic and trade cooperation and are engaging each other on a practical mode of interdependence. Top level leadership of both nations have expressed that there is enough space for the two nations to work and it is not a zero sum game; more than \$ 60 billion trade between India and China tells an important story.<sup>21</sup> The relationship is likely to be pragmatic – competitive yet cooperative. This makes the region and these port projects more complex.<sup>22</sup>

Keeping in mind the growing rate of cooperation between Pakistan and China and watching it with the spectacle of Gawadar, India thought to counter Pak- China ties by starting Chabahar project once again with Iran. This has created a situation of rivalry among Pakistan and China viz a viz India and Iran. India is concerned about Pakistan and China's growing influence in the region (Particularly in Central Asia), that's why she is taking interest in Chabahar to counter Gawadar. Moreover according to

many military analysts and serving military men both the projects are not having economic goals as a primary task but carries security goals more than that. The Chabahar project and Indian intentions behind that are polluting the relations between Pakistan and India by creating a rival situation in Arabian Sea and are decreasing the bilateral trade.<sup>23</sup>

The competition in the Arabian Sea is not only between Pakistan and India but China as well. The linkage of South Asia with South-East Asia and the Middle East, gives China a direct access to the international water via Indian Ocean. This along with other factors compels China to take the region seriously for its present as well as future.<sup>24</sup>

China's interest in the region has created a situation of competition between India and China. This rivalry has many extents, which includes the Indian opposition to the Chinese inclusion in SAARC, the sharing of maritime Indian Ocean passage and resources and contestation for political and economic resources of the region encompassing South and Central Asia. This has been amplified by the rejection of China's claim to be a South Asian entity by India and the political significance of trade routes shared by both the states.<sup>25</sup>

Also the importance of Indian Ocean for trade and economy can be judged from the fact that around 75% of the global mercantile ships passes through this. Historically and traditionally the region has been the loci of power for great powers like Russia, USA, and the Islamic states of the region. Also that the region has more than one attributes, as at the same time it has a developmental value as well as security one. Owing to this China has taken a keen stratego-political interest in the region. China's interest in the region also has multi-dimensions like the region itself. At the same time China is looking at the economic importance of South Asia as well as the strategic value it carries. Thus China is posturing relations with India's rivals (Pakistan) in the region to have a strategic supremacy in the region.<sup>26</sup>

India-China relations, though occasionally showing signs of peace and cooperation, have often been afflicted by tension and mistrust. With the potential to make big contributions to regional peace and development, these two Asian powers have, by design or accident, themselves been the sources of regional tension and insecurity to some extent. Besides their internal dynamics, the interplay of interests and moves of their neighbors, and several external powers would have significant bearing on the equation and relations between them.<sup>27</sup>

Ranganathan (1998) and Nair (2001) assert that the most crucial factor of mistrust between India and China is the Indian perception that China is being a military and Security threat for India. The official state level policy and measures are not serious enough to tackle the issue. Also they argue that hostility in their relations in future can add to mistrust between the two states.<sup>28</sup>

The indigenous analysis in India on the issue of China's military objectives from Gawadar port in the Indian Ocean is divided. Some analysts and scholars believe that such ports by China carry little commercial value than strategic or say military. They believe that at first these ports have limited commercial feasibility and if ever they have any such value, the economy generated will be vested in maximizing the military capabilities of China. Though the opinion is divided on the primary objectives of these ports (Gawadar is one of these), there exists concerns on the military significance they carry for the future of China. Most of analysis from this group argues that making such ports like Gawadar true commercial loci for the whole region will require huge efforts, which questions the economic objective as primary one.<sup>29</sup>

The second group of research analysts arrives at almost an opposite standpoint on the issue. They argue that such ports (including Gawadar) are exclusively commercial ones, carrying zero strategic or military objectives. Supporting their argument, they state that as Indian military can easily topple these ports and area down and close them, China (or Pakistan) will never invest on such a project then. These ports, according to analysis are a threat to India, but a primary and purely commercial one and will be used for an economic dominance by China in the region. Men from military, even holds this opinion.<sup>30</sup>

Thus it can be conclusively marked that the presence of Gawadar and Chabahar ports carry greater significance when it comes to bilateral trade and peace in the region. It can be used to enhance trade and bring peace, while at the same time it can be a source of conflict for both Pakistan and India. We argue (by advocating through commercial peace theory) that both the states can use these ports and projects to bring economic prosperity by enhancing trade and peace subsequently to the region. We base that these ports are potentials for peace and prosperity to the region.

**Most favored Nation (MFN) Status**

Globalization has made the world a single market for trade and business. States in this globalized world have been interacting through trade and economic activities. Like many of international issues and relations, trade required to be regulated. Keeping this in line, general agreement on tariffs and trade (GATT) was framed in 1947 and signed subsequently. It came into effect on January 1, 1948.<sup>31</sup> It became effective in 1948, aiming at increasing and regulating trade between states. It called for the reduction of restrictions on trade to enhance the level of trade among the member states. In 1995 World Trade Organization (WTO) was formed, replacing the previous agreement i.e. GATT.<sup>32</sup> India and Pakistan were members of both these (GATT and WTO). WTO along with impositions (principles) call for two main and primary conditions, which are 'reciprocity' and 'Non-discrimination'. One of the most important state's status in trade, that is 'Most Favored Nation' springs from these principles. In the light of the conditions of WTO India granted Pakistan MFN status in 1996, but Pakistan is still to grant reciprocally this status to India. However bilateral talks are in progress and hopefully India will get that status soon.<sup>33</sup>

But unfortunately closer bilateral trade ties are not acceptable to many in India and Pakistan. These include people who are traditionally against good bilateral relations, stakeholders of trade and industrials along with 'the custodians of borders of Pakistan and India'. These groups have their own vested interests in Pak-India rivalry and stirred relations. For example Pakistani military is an institute having a corporate interest as well.<sup>34</sup> Likewise farmers from Pakistan are against the policy of granting MFN status to India because they fear the losses they will bear. Indian government give subsidy on agricultural products, which make their products inexpensive comparative to Pakistan. Farmers on this side of the border are skeptical that trade with ease from India of such products will be a blow to their business. Subsequently these farmers have been demonstrating against governments of Pakistan, to pressurize them for not granting this status to India.<sup>35</sup> These are contributing to the low frequency of bilateral trade between the two countries.<sup>36</sup>

India and Pakistan stands tall in the economic status of South Asia as the two largest economies but when it comes to bilateral trade between the two, the level is too low. These two have 90% of gross domestic product (GDP) of the region and around 85% of the total population of South Asia. There is a huge gap between the practical bilateral trade between the two countries

and the level it potentially could be. The comparison between them and other such countries shows that bilateral trade comparatively is too low. Peaceful relations between the two can add to the improvement of bilateral trade. Along with other areas, Composite Dialogue Process (CDP) recommended that Pakistan shall grant most favored nation status (MFN) to India and a bilateral free trade agreement (FTA).<sup>37</sup>

In the early stages of these two countries (in the first half decade) the bilateral trade level was not as it is today. From 5% (of total world trade) in 1950's it has dropped to just 0.3% over the period of 5 decades. Both the largest economies of the region have not availed opportunities given by time to them and trade level has dropped significantly.<sup>38</sup>

The Composite Dialogue Process started in January 2004 contributed a lot in this connection. It can be seen that there has been a sizable increase in bilateral trade after this. For example official trade stood at US\$129 million in the fiscal year 1996 and reached an average of US\$1.1 billion in 2005/06. These are official estimates. There is a huge chunk of informal and unofficial trade as well and when added, it is around US\$1.5 billion, or 3.4 percent of Pakistan's total trade.<sup>39</sup> It has reached a level of almost 2 Billion US dollars in 2008. Since then there has been seen a gradual increase in this regard.<sup>40</sup>

Pakistan in this regard, is of the opinion to gradually increase the size of positive list of goods but still hesitate in granting full MFN status to India.<sup>41</sup> An example can be cited in this connection of 'number of items'. In 1983 the number was only 40. It increased to become 687 in 2005 and 770 subsequently in 2006. The list was going up and the number was 1,075 in 2008. The Trade Policy of 2008-09 and then ahead allowed imports of goods under a Duties and Tax Remission for Exports (DTRE) scheme from India. These goods were not listed in positive list of items.<sup>42</sup>

But this seems not just enough. Around 19 years have passed when WTO was formed and Pakistan was its founding member, still it has to fulfill one of the most important term obligation of the agreement i.e. MFN status to India.<sup>43</sup> Though it was decided in a cabinet meeting of the previous PPP government to approve the proposal of granting MFN status, put forward by the ministry of commerce, it has not been materialized yet. "The federal cabinet has unanimously approved India as the most favored nation," said Federal Information Minister Findus Ashiq Awan at that time, onward admitting of resistance by members in their own cabinet.<sup>44</sup>

To most people and even government officials, it seems that MFN status is something of a privilege Pakistan will grant India and thus they are critical of it. Also the Urdu translation of the term *Pasandedatareen* as the 'most liked' has been exploited. It is very clear that such are only speculations and that MFN status only means to grant the same status to India as it granted other states in the agreement. It only cuts off any discrimination against India by Pakistan in the perspectives of trade. It aims at making bilateral trade easier. Prabir, (2013) believes that Pakistan's most favored nation status to India will have larger benefits. But this needs an open support for connectivity and facilitation of trade. To him, trade facilitation needs improved infrastructure, trade policies, services, procurers and market systems.<sup>45</sup>

"The WTO regime does not make it binding to grant a bilateral MFN status to every country," claimed Haroon Akhtar Khan, a member of the Senate Commerce Committee. "It was purely an executive decision without any consultation with the parliament or its relevant panels." he added. According to the data of 2011, the bilateral trade between India and Pakistan stands at about \$1.7 billion. The Indian balance is heavy in this regard as Indian exports to Pakistan were totaling \$1.45 billion and Pakistan's about \$275 millions.<sup>46</sup>

There are other misdirected perceptions in Pakistan related to granting MFN status to India. For example, "Strategic considerations" is the most cited factor by Pakistani government (military establishment).<sup>47</sup> Here they also mobilize religio-political actors for their support as well. Another reason is the fear of Pakistani manufacturers, who think that if MFN status is granted to India, it will flood Pakistani market with Indian goods. This, they think will halt their business and their products (of low quality) will be useless. They think that Indian goods will not be levied.<sup>48</sup> However a systematic analysis shows that the arguments are weak and mostly based on emotional and wrong perceptions.

Thus it is evident from the debate that MFN status issue between Pakistan and India is hampering the bilateral trade. It also in turn creates problem for Peace and stability in the region. We conclusively argue that Pakistani state must be lenient in granting MFN status to India to increase bilateral trade and connect to each other for peace and prosperity of the region.

### **Regional Politics**

This century is marked by the New Great Game in Central Asia and Afghanistan. The post 11<sup>th</sup> September scenario confirms this

theory. It is believed that India is collaborating with Iran to have access to central Asian states and Afghanistan. India has seen some success in this regard as Indian influence in Afghanistan is increasing day by day. This has a negative impact on bilateral trade between Pakistan and India as both are competing for the markets of Central Asia and Afghanistan as competitors cannot be considered as friends.

The economic position of the South Asian region is at the bottom of list of all states. It ranks just above Sub-Saharan Africa, which is the poorest in the world. For example the number of poor people (according to UN index) in only 8 states of India is more than 26 states of Africa. Likewise, according to the same index there are more than half poor people in this region (South Asia).<sup>49</sup> Another report shows that there are more than 40% people living under the poverty line in this part of the world.<sup>50</sup>

In South Asian region, economically speaking there are differences, as GDP/capita of Sri Lanka is the on top and that of Afghanistan is at the bottom. By the scale of bulking economy, India ranks first in the region, because of all South Asian economy it is having around 82% share. Next to India is Pakistan. It is reported that states in this region are the least trade integrated ones as trade here is only 2%.<sup>51</sup>

The whole South Asia's progress and development has been retained because of the rivalry between these two nuclear powers. Regional organization SAARC which should be the power tool for the promotion of trade and businesses is just like a rubber stamp. Desire of both the countries to become permanent members of Shingai Cooperation Organization (SCO) through which New Delhi and Islamabad can bring economic revolutions in the lives of the people of both those countries is much needed.

Regional politics as well as economy has proved to be tools of enmity in the case of Pakistan and India, while it shall have been the opposite case. For example economic cooperation and integration in the mirror of South Asian Association for Regional Cooperation (SAARC), its most of the programs and policies are still to be practiced. For example its food security reserve was unable to practically help Bangladesh in disastrous time of 1991. Likewise, its convention related to terrorism suppression can be criticized, keeping in view the present terrorism in the region. It is believed that SAARC has been unable to move beyond holding workshops and seminars only, because it is unable to practically cure the problems of this region. Last but not the

least the shortage of funds and technical expertise in relevant fields hampers its working.<sup>52</sup>

There are some benefits (though limited) SAARC's existence is having. To start with is its forum, which it provides for meetings of political state leaders of the region. These informal regular meetings have produced some results. Most important in this regard is the meeting Pakistani and Indian heads have. They usually get an opportunity to set together and discuss issues, which releases the tension from their relations.

SAARC needs thus to improve this ability with time, in bringing political peace in the region. Also that as the source for SAARC's formation was domestic problems of the region; it must aim to address domestic problems of the region. It shall serve as one practical example of an organization fostering good politico-economic relations in the region.

The stressed regional political situation is polluting the environment for trade. This is hitting the economy and peace process of the region. There is a need of political integration and stability in the region, for positive trade and peace in the region. The failure of organizations like SARRC and inability of states in the regional to frame more organizations is a sad talk for both trade and peace in the Pakistan India region. This hurdle needs to be removed at States level to melt the rivalry between Pakistan and India.

### **Conclusion and Suggestions**

This study conclusively argues that focusing issues and areas like Gawadar and Chabahar, MFN status to India and regional politics can help in emergence of good bilateral trade relations between Pakistan and India. It also develops an understanding that these issues have polluted the environment of politics and economy of the region and remains one of the significant hurdles in the way of peace. It can be concluded that bilateral trade will help in bringing peace to the region. Peace cyclically will enhance trade and economy of the region. Thus the rival situation can be turned into a friendly one, bringing prosperity to poor masses of the region.

Based on analysis of literature and the debates of the study, it can be suggested that both Pakistan and India shall focus economic development more than Security. The trade between India and Pakistan shall be promoted for it will make both the states economically interdependent and thus will prevent them from going to War with one another. When investment will supply and markets are at stake the cost of going to war will be higher, as

advocated by Commercial peace theory. Interstate linkages must be focused on priority basis as it improves communications; reduce misunderstanding and foster cultural and institutional mechanism capable of mediating conflicts of interests that do arise. Also that greater the trade ties greater the deterrent to conflicts will be between both the countries.

Besides these trade can be used as an actor to play a role in constructive engagement. For this it can be proposed that the relaxation in Visa processes is important as it eases the flow of trade experts, Entrepreneurs and Academia from both sides of the border. Related to security issues it can be said that Strategic depts. of both the countries should be converted to Economic depts. For this will promote greater trade between them. Importantly, both the countries shall exploit the resources of the Arabian Sea and the trade benefits with Central Asia peacefully and that Pakistan shall positively look to Grant MFN status to India.

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<sup>33</sup> “Most Favored Nation (MFN) Treatment for India an Analysis”. Available at: <http://ips.org.pk/research/144-policy-perspectives-content/1663-most-favored-nation-mfn-treatment-for-india-analysis?format=pdf>

<sup>34</sup> AyeshaJalal, *Military Inc.: Inside Pakistan's Military Economy* (n.p: Pluto Press, 2007).

<sup>35</sup> Ijaz Nabi & Anjum Nasim, *Trading with the Enemy: A Case for Liberalizing Pakistan-India Trade*. In Lahiri, S. (Eds.), *Regionalism and Globalization: Theory and Practice* (London: Rutledge, 2001), pp. 170-198.

<sup>36</sup> Abid Qamar, “Trade between India and Pakistan: Potential Items and the MFN Treatment” *State Bank of Pakistan Research Bulletin* 1, no. 1 (2005), Available at: <http://www.sbp.org.pk/research/bulletin/2005/Opinion-1.pdf> (Accessed December 15, 2014).

<sup>37</sup> Zareen Naqvi, Pakistan-India Trade Potential and Issues. *The Lahore Journal of Economics* 14, no. SE (September 2009):171-201.

<sup>38</sup> “MFN Status to India”, Industrial Advisory Report, Report Number 172, (2011). Available at: <http://www.iptu.co.uk/content/pdfs/PAKISTAN%20RELATED%20ARTICLES/iar-172.pdf>

<sup>39</sup> The term ‘Informal trade’ has been used to refer to the unrecorded trade. It is also called ‘unofficial trade’; usually it is done through states like Afghanistan, UAE etc in our case, or smuggled. Items carried as personal baggage also comes under this term.

<sup>40</sup> S.R. Khan, M. Yusuf, S. Bokhari & S. Aziz, "Quantifying Informal Trade Between Pakistan and India". In Z.F. Naqvi, and P. Schuler, *The Challenges and Potential of Pakistan-India Trade* (Eds). (Washington, DC: The World Bank, 2007).

<sup>41</sup> Under a "positive list" approach, items present in the list can be imported, while all others are banned. Likewise there is a negative list" in which listed items are not to be imported while all others can be imported.

<sup>42</sup> Zareen Naqvi, "Pakistan-India Trade Potential and Issues", op.cit.

<sup>43</sup> Muhammad Iqbal Tabish & Mujeeb Ahmed Khan, "Indo – Pakistan Economic cooperation: harnessing India: Pakistan trade potential".

Available at:

<http://www.saarstat.org/sites/default/files/publications/tfreports/Indo-Pakistan-Economic-Cooperation.pdf>

<sup>44</sup> "Pakistan agrees to normalize trade relations with India", GlobalPost, November 02, 2011. Available at:

<http://www.globalpost.com/dispatch/news/regions/asia-pacific/pakistan/111102/pakistan-agrees-normalize-trade-relations-india>.

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<http://www.newspakistan.pk/2011/11/03/India-hails-Most-Favoured-Nation-MFN-status-by-Pakistan>.

<sup>45</sup> De Prabir, Ijaz Ghani, Raihan Selim, "What Does MFN Trade Mean for India and Pakistan? Can MFN be a Panacea?". Available at:

<http://dx.doi.org/10.1596/1813-9450-6483>

<sup>46</sup> "Pakistan to grant MFN status to India eventually", *The Express Tribune*, November 3, 2011.

<sup>47</sup> But as we have argued in this paper that commercial peace theory advocates about peace through trade, commerce and economic engagement.

<sup>48</sup> Abid Qamar, "Trade between India and Pakistan: Potential Items and the MFN Treatment", op.cit.

<sup>49</sup> Jason Burke, "More of world's poor live in India than in all sub-Saharan Africa, says study", *The Guardian*, July 14, 2010. Available at:

<http://www.theguardian.com/world/2010/jul/14/poverty-india-africa-oxford>

<sup>50</sup> Alison Prato, "View from the 'Top'", *New York Post*.

<sup>51</sup> "A special report on India: India elsewhere: An awkward neighbor in a troublesome neighborhood", *The Economist*, December 11, 2008.

<sup>52</sup> Buzan Barry & Gohar Rizvi, *South Asian Insecurity and the Great Powers* (London: Macmillan Press, 1986). See also: Howard Wriggins, "South Asian Regional Politics: Asymmetrical Balance of One-State Dominance?" in William Howard Wriggins, *Dynamics of Regional Politics: Four Systems on the Indian Ocean Rim* (n.p: Columbia University Press, 1992)