

Indo-Pak rapprochement — the most important

By Anatole Kaletsky

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THE peace process between India and Pakistan launched in Islamabad on Tuesday is potentially a far more important event than anything that has happened in the past few years in Afghanistan, Iraq, Palestine or even the skies over New York and Washington. This is not just because India and Pakistan are home to 1.2 billion between them or because their repeated conflicts in Kashmir have brought the world closer to nuclear war than anything since the Cuban missile crisis. The start of a reconciliation between these bitter territorial and religious enemies reflects several powerful economic and geopolitical currents, which will drive world events for the next decade and maybe the century.

The rapprochement on the Indian subcontinent is the latest unexpected spin-off from September 11 and America's easy military victories in Afghanistan and Iraq. The war against terrorism has revealed to Washington the stupidity of its former policy of supporting Islamic fundamentalist fanatics as a firebreak against imaginary communist threats. Rooting out these fanatics — and keeping their hands off Pakistan's nuclear weapons — will require Pakistan to be stabilised and readmitted to the community of civilised nations. The only way to do that will be to end the threat of war in Kashmir. At the same time, the need to stabilise Afghanistan has forced Washington to

embrace India, a country previously identified as a crypto-socialist leader of the "non-aligned movement" which has openly presented itself as an obstacle to America's global power. American influence has been increasingly visible in both Pakistan and India since September 11 — and wisely the Bush Administration has mostly dangled carrots, rather than using sticks. This week's rapprochement, is at least in part, a benign result. A second ironic, but predictable, consequence of September 11 has been the waning of religion as a political force. In Pakistan, Islamic fundamentalism is now under pressure, not only from the Americans, but also from a President who has already faced two attempts on his life.

Even more important than President Musharraf's new motivation to suppress Kashmiri terrorism is the rejection of religion as a political principle in both Pakistan's and India's growing middle class. While the Pakistani security forces may still harbour many Islamic fundamentalists and while the India's ruling BJP party may still be routinely described as Hindu nationalist, political currents in both countries have been moving strongly against the religious fanatics. This was apparent in last year's Indian state elections, where the successful candidates generally steered away from religion, caste and ethnicity, and ran on their record of delivering results.

Hundreds of millions of middle-class or aspiring Indians and Pakistanis — including the bureaucrats and army officers on whom President Musharraf depends for his support — used to believe that religiously-based politics presented them with a choice between succumbing to crass American materialism

or maintaining a traditional, pious way of life while still enjoying the material advantages of the modern world. September 11 showed this to be a false dichotomy. The only choice now is between participating in global economic progress or going back to the Stone Age with Osama bin Laden, Saddam Hussein and Kim Jong Il.

Until recently there was limited appeal for goal-orientated materialistic politics in countries such as India and Pakistan, since most people,

Without succumbing to the grandiose rhetoric about the Pacific century that was briefly fashionable in the 1980s, it is safe to predict at least a "Pacific decade" for the period between now and the aftermath of the Beijing Olympics in 2008. This is not just a matter of population, since Asia has always been home to well over half the human race, but until recently, with the exception of Japan, was too poor to figure in the global economy. This situation has now completely changed. In the

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even in the educated middle classes, believed that Western-style economic prosperity was unattainable. This fatalism has now largely vanished.

An upsurge of economic confidence is now palpable across Asia. While this reflects the rapid recovery from the devastating financial crises of 1997 and 1998, at a deeper level it is driven by much a more powerful force — a tectonic shift in the global economy, whose centre of gravity has moved irrevocably from the Atlantic to the Pacific in the past ten years.

past few years, Asia's teeming but impoverished billions have started to turn into potential consumers with increasing aspirations to Western-style standards of living.

What accounts for this transformation? At its simplest, the answer is money. Asian governments and the economies they manage are flush with money because of the vast US trade deficit, which is pumping \$500 billion each year into the world economy, almost all of it ending up in the coffers of Asian businesses, workers

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ated an infinitely more attractive economic model than state-controlled central planning, based on markets, entrepreneurship and private ownership, albeit with "Asian characteristics". When they look at China, the people of India and Pakistan — and especially the small businessmen, civil servants and the military officers who dominate the middle classes — can see that prosperity for their families within a generation is not an impossible dream. Seeing China's burgeoning power, political leaders in major Asian countries, and especially in India, are determined to try to catch up — or at least keep up. They are finding it easier to attract external support in this effort as a result of the intensifying competition between China, America and Japan for long-term influence in the booming Asia-Pacific region.

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Most important of all, the growth of trade and consumption means that the middle classes are expanding, even in such relatively backward economies as India and Pakistan. With the rise of middle-class values comes demands for economically productive secular education as opposed to religious indoctrination, and an interest in belonging to the global community rather than being ostracised as a pariah state. Economic prosperity may not guarantee Western-style democracy, as is evident in China, but at least it creates a preference for peace over war. —Courtesy London Times