

# Assessment of Conflict between India and Pakistan

Tuhin K. Das

The conflict between India and Pakistan is a major source of crisis which must be resolved if peace and development are to prevail in this region. One approach for identifying the costs of conflict and the strategies for minimizing them is the conflict resolution curve model formulated through regret analysis (based on costs). The application of this model in the present context suggests alternative strategies, one being that India should encourage more formal bilateral trade. However, this solution is not feasible given the repeated terrorist attacks on India from Pakistani soil and the suspension of trade ties between the two nations. Another alternative is for India to strengthen its preparedness diplomatically, and this is happening through the Financial Action Task Force and other channels.

**Keywords** conflict assessment, conflict resolution curve, terrorism, trade potential, peacebuilding, South Asia

## Introduction

The conflict between India and Pakistan is a major source of crisis in the world today. It has been simmering since the partition of India in 1947 and on several occasions during the twentieth century it escalated into outright warfare—for example, the First Kashmir War of 1947, the Indo-Pakistani War of 1965, the Bangladesh Liberation War of 1971, and the Kargil War of 1999. The causes of conflict are many: border disputes, the harboring of terrorists, disputes over water supplies, etc. (Mir 2014). But the central cause has always been Kashmir. This has its roots in the very name of Pakistan, which incorporates elements from the five Northern Units of India at that time: Punjab, North-West Frontier Province (Afghan Province), Kashmir, Sind, and Baluchistan (Choudhary 1933).

At the time of partition, the native states (also called the princely states) were given the choice of joining either India or Pakistan or remaining independent. Almost all of them opted to join either India or Pakistan and the accession

process was mostly peaceful. But the cases of a few states, like Jammu and Kashmir, were not so simple.

Initially the ruler of Jammu and Kashmir opted for independence. Then he decided to accede to India following an invasion by Pakistan-based forces. Indian troops stopped the Pakistani invasion and pushed the invaders back in 1947 (the First Kashmir War). At present, roughly two-thirds of the state is controlled by India and one-third by Pakistan. There were subsequent wars in 1965, 1971, and 1999. Those wars were not a pleasant experience for Pakistan, and this may be one reason why it started harboring terrorists to indulge in proxy war against India (Khelka 2019).

It is not known exactly when the country started nurturing terrorism, although it is believed that the government of Pakistan “created and nurtured” terrorist groups in the 1980s (Nelson 2009). Pakistan has put more energy into anti-India rhetoric than it has into economic development, such that the country is coming nearer and nearer to economic collapse and remains on the Financial Action Task Force (FATF) gray list (PTI 2019b).

One reason for the never-ending conflict between India and Pakistan is “Pakistan’s irredentism, its army’s desire to subvert India’s ascendancy as a great power and exact revenge for past Indian military victories, and its aspirations to be treated on par with India despite their huge differences in capabilities, achievements, and prospects” (Tellis 2017). But every dark cloud has a silver lining. It has been noted that some prime ministers of Pakistan have often talked peace, although they could not deliver it (Sengupta 2019). We may assume that those gestures were expressions of a genuine desire for a better future. So, there might be some way out of this conflict situation. The India-Pakistan conflict must be resolved if peace and development is to prevail in this region (South Asia). Conflict resolution may be possible if the costs of the conflict and strategies for minimizing it can be identified. The present article is an attempt to do this.

The literature on India-Pakistan relation discusses various factors that have caused the rivalry to persist. It has been claimed that “the peculiar power asymmetry that has prevailed between the two antagonists for over half a century has made full termination of the rivalry difficult in the near-term.” (Paul 2006) Some authors even worry that the on-going crisis could escalate beyond conventional weapons use (Pokraka 2019).

The status of Kashmir among all factors has always been at the center of India-Pakistan conflict over the past five decades and that has been reflected in literature (Harshe 2005; Yaseen et al 2016; Schofield 2010; Ganguly 2001). All authors more or less expressed that the most important characteristic of the India-Pakistan conflict is its persistence (Rajagopalan 1998). Tensions and concerns over serious military confrontation between two nuclear-armed neighboring countries remain high because of continued violence in Kashmir and a heightened threat of terrorist activity by Pakistan-based militant groups

(Global Conflict Tracker 2020).

Both countries agree that peaceful coexistence is critical to their interests. So, from the viewpoint of conflict resolution generally experts propose India-Pakistan peace talks. But many authors are skeptical about this peace process. They often discuss about “the feasibility of successful outcomes, particularly in light of continual sticking points such as the territorial dispute over Jammu and Kashmir and terrorism.” (Flamenbaum et al. 2011) To find a solution to the present conflict, Kurr (2015) observed that “the dialogue between India and Pakistan over the Kashmir conflict has failed to create any meaningful solutions to the conflict.”

It has been noted that new hostilities and clashes between both neighboring states have been created in spite of numerous conflict management efforts through diplomacy, negotiations and mediation (Javaid et al. 2016). “Generally, policymakers have sought to stabilize the Indo-Pakistani security relationship at both the strategic and the tactical levels, thus minimizing the danger of nuclear war while reducing the likelihood of lower-level violence.” (Kapur 2005) But all peace processes have ended in new conflict.

However, certain changes took place recently in India-Pakistan relations due to various reasons (Singh et al. 2015). India forces Pakistan to deescalate terrorism by diplomatic means rather than military or peace talks (Nawaz et al. 2019). There have been no bilateral dialogues between the two countries since 2013 (Nabeel 2019). This strategy has never been envisaged in previous literatures. One of the reasons might be the non-application of methodologies that yield alternative strategies. Such an attempt has been sought in this article to find an approach to conflict resolution and its feasibility in the current scenario.

## Methodologies

The methodologies involved in conflict resolution modelling require a clear understanding of the, usually very complex, causes of the conflict. There are diverse dimensions (or attributes) to any conflict situation which various authors have tried to identify (Shapiro 2014; Vestergaard et al. 2011; Jehn et al. 2008). For example, power, temperament, culture, context, relationship, values, and experiences all influence the outcome (or style) of a conflict. Different values (generally qualitative) of these attributes produce different conflict styles. Conflict style is a condition for meeting one’s needs in a conflict but it may impact other people in different ways.

A simple conflict resolution model in this context is the dual concern model (DCM). The underlying theory proposes four types of conflict styles based on two dimensions: assertiveness (concern for self) and empathy (concern for others). The conflict style changes depending on the weight assigned to each

Figure 1. Dual Concern Model



Source: Carnevale and Pruitt (1992).

dimension. Generally, the styles are characterized as: (a) “dominating” implying a greater weight to assertiveness and less weight to empathy, (b) “accommodation” implying less weight to assertiveness and more to empathy, (c) “collaboration” implying a high degree of weight to both assertiveness and empathy, and (d) “inaction” implying a small degree of weight to both assertiveness and empathy. The DCM has been statistically tested and it was observed that variance in conflict style could mostly be explained by the above two dimensions (Sorenson et al. 1999).

This model can be elucidated with examples in the present context by considering India as “self” and Pakistan as “other” (Figure 1). The style of the conflict between these two countries has changed from time to time since the creation of Pakistan. Inaction was observed when India did not retaliate after the 26/11 terror attack by Lashkar e-Taiba (LeT) in November 2008 (Nayak and Krepon 2012). Most Indian security commentators, however, criticized the response to 26/11 as ineffectual and misguided (Machold 2017).

The Balakot airstrike is an example of the dominating style of conflict. On February 26, 2019, Indian warplanes crossed the border and dropped bombs in the vicinity of the town of Balakot in Pakistan’s Khyber Pakhtunkhwa province to avenge the Pulwama terror attack in Jammu and Kashmir, India (Khera 2019). The significance of the Balakot airstrike is that India deviated from its traditional attitude of restraint in the face of Pakistan-sponsored terrorism and Pakistan deviated from its traditional policy of threatening a nuclear confrontation (Mukherjee 2019).

India granted most favored nation (MFN) status to Pakistan in 1996 despite the political mistrust between the two countries and their history of border

conflicts (Kumar 2015). But Pakistan did not accord MFN status to India. Here, the conflict style may be categorized as accommodation. However, this accommodation is no more as India has withdrawn Pakistan's MFN status.

The Simla Agreement of 1972, signed between the two sides on July 2 that year in Simla, India, may be seen as an attempt at collaboration. The following principles of the Agreement are particularly noteworthy: "a mutual commitment to the peaceful resolution of all issues through direct bilateral approaches; to build the foundations of a cooperative relationship with special focus on people to people contacts; to uphold the inviolability of the Line of Control in Jammu and Kashmir, which is a most important CBM [confidence building measure] between India and Pakistan, and a key to durable peace" (Ministry of External Affairs 1972). However, the Agreement was never implemented.

At present, the conflict style between India and Pakistan may be characterized as dominating rather than collaboration, inaction, or accommodation. This is also true for Pakistan when that country is seen as the "self" and India is the "other" in the above model. Pakistan did not grant MFN status to India (i.e., no accommodation) and retaliates against every military or diplomatic action by India (i.e., no inaction). Also, the country downgraded its diplomatic ties with India, closed its airspace to Indian planes, and suspended bilateral trade (i.e., no collaboration).

Thus, although this model explains the styles of the conflict between the two countries, it does not enlighten us as to how to achieve a shift from an existing conflict style to a desired style (say, from dominating to collaboration). Methods for changing conflict styles may be based on economic, political, or military appraisals. The economic aspect is highlighted in this study, particularly in explaining the need for peacebuilding, as it may include other factors, such as military and political aspects, as costs. A theoretical model based on the DCM is presented in which cost is an intrinsic part. Regret analysis has been used as a tool in formulating this model.

## The Conflict Resolution Curve (CRC) Model

Here follow some definitions of the terms used in the proposed model.

### *Cost*

Generally, by cost we mean the amount of money needed to buy or produce and deliver a good or service. But cost in a broader sense includes the monetary valuation of effort, materials, resources, time and utilities consumed, risks incurred, opportunity forgone, etc., in any action. This definition implies that all monetary expenses are costs, but all costs, such as risk, are not expenses. For example, the cost of war includes not only the price of arms and ammunition, the

wages of the army, etc., but also the risk of injury, loss of life, loss of sovereignty, and so on.

### *Regret*

According to the Cambridge Dictionary, regret means feelings of sadness about a situation, especially something sad or wrong or a mistake that one has made. But in decision theory, regret is defined as the experience or anticipation of sadness or disappointment which is caused by making a wrong choice (when other options are available). People take this experience/anticipation into consideration when making decisions.

### *Probability*

Objective probability is the chance that something will happen. But can we measure such an abstract notion? In reality, what we achieve is subjective probability. It is derived from an individual's personal judgment about whether a specific outcome is likely to occur. It involves no formal calculations and only reflects the subject's opinions and experience. In that sense, subjective probability always differs from person to person and contains a high degree of personal bias.

### *Cost Matrix*

A cost matrix is a tool that is used to simplify all possible outcomes (in terms of cost) of a strategic decision (Das 2018b). A and B are two conflicting entities (individuals, groups, or countries). A's decision has two dimensions: assertiveness (concern for self) and empathy (concern for others). Conflict style changes depending on the weight or importance given to each dimension. Suppose various weights on "concern for others" apply to different decisions available to A. Suppose A has no concern for B if B is aggressive, while A does have concern for B if B is non-aggressive. Now, the outcome of the decision taken by A varies depending on the actions taken out of "concern for self." Suppose  $X_{ij}$  is the cost associated with the  $i$ th concern for self and  $j$ th concern for B (i.e., the  $j$ th action of B). This cost may include damage cost due to conflict and cost of self-defense (e.g., legal advice, armed force, weapons).

India (A) and Pakistan (B) are the two conflicting parties in this model. India's decision has two dimensions: assertiveness (concern for self) and empathy (concern for the other, i.e., Pakistan). Conflict style changes depending on the weight or importance given to each dimension. India's activities intensify by giving low weight to empathy (i.e., no concern or less concern for the other). If India gives no weight to assertiveness and at the same time does not have any concern for Pakistan, then the country is not supposed to respond to any provocation (inaction/avoidance style). Ceasefire violations, cross-border terrorism, etc., are major provocations by Pakistan. If India ignores any loss due to Pakistan's provocative activities because of apathy concerning the security and

Table 1. Cost Matrix

	Aggressiveness of Pakistan with probability P	Non-aggressiveness of Pakistan with probability (1-P)
Concerns	Low concern for Pakistan	High concern for Pakistan
Low concern for self (India)	$X_{11}$ (Unresponsive to provocation or Inaction Style)	$X_{12}$ (Submission with a risk of threat from Pakistan or accommodation style)
High concern for self (India)	$X_{21}$ (Responsive to provocation or dominating style)	$X_{22}$ (Both parties gain through negotiation or collaboration style)

Source: Author.

socioeconomic development of the region, the country will remain unresponsive to provocation. Thus, cost  $X_{11}$  in Table 1 would be the only cost associated with damage caused by Pakistan.

Giving more weight to assertiveness and retaining a low level of concern for Pakistan indicates India's response to provocation by Pakistan (dominating/competition style). In this conflict style, the cost of the damage caused by the provoking country (Pakistan) is nullified by the greater level of preparedness of the target country (India). But such preparedness needs more administrative and military expenditure. Thus, cost  $X_{21}$  includes cost of preparedness. An effective response by the target country means a higher cost of  $X_{21}$  than  $X_{11}$  in Table 1.

A new situation arises when economic and social aspects are taken into consideration. It is alleged that a nation will search for an exit strategy when it is experiencing a domestic crisis, is incapable of maintaining a high level of military expenditure, or is subject to international sanctions. Under such circumstances, a nation will be concerned (or pretend to be concerned) about development unless it is irrational. It has to establish its non-aggressiveness (as in the case of Pakistan if it is to exit the FATF gray list).

Here, two conflict styles would emerge if the target country feels the provocateur to be non-aggressive. The first one is accommodation, which involves giving less importance to self-interest while keeping a high degree of concern for the other, i.e. giving benefits to the other even though one incurs a loss. So,  $X_{12}$  would be (own loss – benefit to the other). The second conflict style is collaboration, which implies having more concern for the other and at the same time giving more importance to self-interest. Then the cost  $X_{22}$  in Table 1 would be negative (cost is equal to negative benefit) as both target and provocateur generally gain through collaboration.

The target country may experience regret by deciding to take a particular action when there are other ways to act. Various weights on “concern for other” produce alternative decisions by the target country. Let  $R_1$  be the regret

experienced by India because of the decision to show “less concern for Pakistan” when Pakistan is non-aggressive. It could be measured by the additional cost of deciding on “more concern for self.” Similarly,  $R_2$  is the regret experienced by India due to deciding on “more concern for Pakistan” when Pakistan is aggressive. In the same way, it could be measured by the additional cost of deciding on “less concern for self.” Here,

$$(1) R_1 = X_{21} - X_{11}$$

and

$$(2) R_2 = X_{12} - X_{22}$$

$R_2 > 0$ , since  $X_{12}$  is always higher than  $X_{22}$  (collaboration yields more benefits than accommodation and cost is negative benefit). Similarly,  $R_1 > 0$ , since  $X_{21}$  is always greater than  $X_{11}$  (suppression or neutralization of the enemy’s defense system requires more effort and a superior defense system).

The CRC model deduces that for an unconcerned entity (target country), assuming  $P$  as the probability of aggression by an opponent (provoking country):

$$(3) RR = f(P)$$

where

$$(4) RR = R_2/R_1$$

and

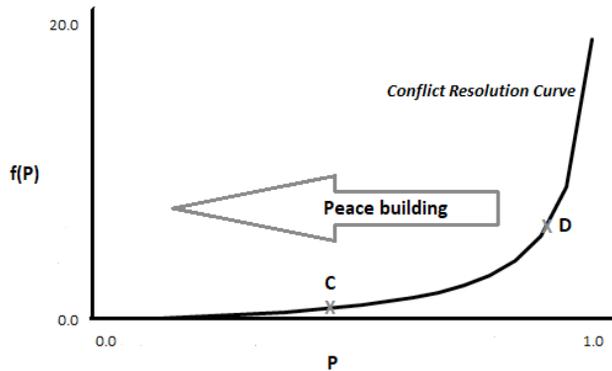
$$(5) f(P) = P/(1 - P)$$

RR signifies a comparison of badness and goodness of the provocateur as judged by the target country (Das 2018a). The value of  $RR < 1$  indicates that the target country is more inclined toward peacebuilding than toward conflict, and  $RR > 1$  signals that the target is more inclined toward conflict than toward accommodation or collaboration.  $RR = 1$  signifies that the target’s attitude to conflict is apathetic.

The function  $f(P)$  is a ratio of two parameters, probability of aggression  $P$  and probability of non-aggression  $(1 - P)$ .  $f(P)$  reveals the comparison of the badness and goodness of the target as judged by the provocateur. The value of  $f(P)$  increases as the target is judged to be more bad than good, and decreases as the target is judged to be more good than bad.

The curved line in Figure 2 is the function  $f(P)$  against  $P$ . It also represents

Figure 2. Conflict Resolution Curve (CRC)



Source: Author.

relation (3). This line has been called the conflict resolution curve (CRC). The target's comparison of the badness and goodness of the provocateur coincides with the provocateur's comparison of the badness and goodness of the target on the CRC. The value of the function  $f(P)$  reduces with the decreasing value of  $P$ . It means that at any point (say, C) with a lower value of  $P$ , the target and the provocateur judge each other to be more "good" than "bad," compared to any other point (say, D) with a higher value of  $P$ . So, a leftward movement along this curve is an approach to peacebuilding.

### Economic Assessment

Generally, the probability of aggression  $P$  is difficult to estimate. Nevertheless, the target assumes that there is some (high/moderate/low) chance of a threat from the provocateur. So, what is assumed by the target is the subjective probability when the objective probability is  $p$  (say). Similarly,  $X_{ij}$  is difficult to measure. In spite of this difficulty, the target imputes some value to it. On the basis of these imputed costs and subjective probability, decisions are taken by the target country.

In the present context, the CRC model is made workable by approximating the cost matrix based on some assumptions. Firstly, there is no exact data on the damage suffered by India due to provocation (e.g., ceasefire violation, cross-border terrorism) by Pakistan. Although some data on internally displaced persons (IDPs), infrastructure damage, loss of tourism, and military and civilian casualties are available, it is very difficult to value such damage (Strategic Foresight Group 2004). So, some indirect measures are taken into consideration.

Damage caused by any country to a target country may be linked to that

country's military expenditure (Eloranta 2005). It has been shown that the size of an army counts for less and less as advances in technology like firepower, targeting, and communications make it possible for compact but sophisticated militaries to inflict unprecedented levels of destruction upon massed forces (Beckley 2010). Modern high technology implies more military expenditure, which in turn implies more damage according to the above argument. In that way, military expenditure by Pakistan may be used as a proxy for damage inflicted on India. However, it should be remembered here that damaging an enemy does not always mean winning on the battlefield (Tierney 2017).

Thus, in Table 1,  $X_{11} = C_p$  where  $C_p$  is Pakistan's military expenditure. Similarly, India's military expenditure may be seen as the cost of preparedness for India to counter Pakistan's provocation. In Table 1,  $X_{21} = C_1$  where  $C_1$  is the military expenditure of India.

In 1996, India granted MFN status to Pakistan (Government of India 2014), which provided Pakistan with non-discriminatory access to the Indian market. But Pakistan has not accorded MFN to India. This motivation can be categorized as an accommodation conflict style under which India is concerned for Pakistan without concern for self. The outcome was both formal and informal trade between the two countries. Informal trade is the trade between two countries that is not included in the national income statistics. It may be seen as a loss. So, in Table 1 under this conflict style (accommodation),  $X_{12} = (T_1 - T_F)$ , where  $T_1$  = Informal bilateral trade and  $T_F$  = Formal bilateral trade.

Trade between these two countries is still negligible and much below its potential level (De et al. 2013). All the varying estimates of trade potential between India and Pakistan are much higher than the actual trade volume. So, trade potential has been considered as a negative cost in the collaboration conflict style, i.e.,  $X_{22} = (-T_p)$ , where  $T_p$  = Trade potential between India and Pakistan.

Following relations (1), (2), and (4), RR simplifies to

$$(6) \text{ RR} = (T_1 - T_F + T_p)/(C_1 - C_p)$$

Conflict assessment is the primary step in the process of conflict management and resolution. "The objective of conducting conflict assessments is to improve the effectiveness of development policy and programmes in contributing to conflict prevention and reduction" (DFID 2002). Some appropriate data are needed to conduct the conflict assessment in the present CRC model.

Data availability is always a hurdle in empirical studies. Sometimes, heuristic methods can give an impression of the outcome though the results may not be completely free of errors. Most heuristic methods are based on guessing. Obviously, heuristic methods are not regarded as final and exact but as provisional and reasonable only (Romanycia and Pelletier 1985). Based on guesswork (i.e., heuristics), two possibilities are assumed here to realize the

nature of a conflict between two neighboring countries.

The World Bank is the source of data on military expenditure by both countries (World Bank 2019). In 2018,  $T_i = 2.42$  percent of India's GDP and  $T_p = 4.03$  percent of Pakistan's GDP. The Export Import Data Bank of the Indian Department of Commerce is the source of formal bilateral trade data in the cost matrix (Government of India 2019). It has been estimated that informal trade was almost twice the value of formal trade in 2012-2013 (Taneja et al. 2018, 10).  $T_i$  has been calculated accordingly. There are different estimates of potential trade between India and Pakistan. The World Bank estimate has been used here. According to the World Bank, bilateral trade between India and Pakistan could reach US\$37 billion if there were no tariff barriers (World Bank 2018).

Using the above values and equations (1), (2), and (4),  $RR = 0.67$ , and following equations (3) and (5),  $P = 0.40$ . This is one possibility as mentioned above. It suggests that India's assessment of the probability of Pakistani aggression is low (according to Figure 1). This is true as long as India assumes the threat from Pakistan only comes from its military power. But the story changed a lot after a series of Pakistan-sponsored terrorist incidents (Tellis 2019). India (along with the rest of the world) now believes that Pakistan is investing substantial sums in terrorism. So, the cost of damage (i.e.,  $X_{11}$ ) is much higher than it was previously assumed.

Next, the cost of damage to India in  $X_{11}$  is not only due to Pakistan's defense expenditure. The following items must also be included in this cost: the financing of terrorism, counterfeiting of currency, money laundering, etc. (FATF 2013). No data are available on these items. Here, they are assumed to be equal to Pakistan's defense expenditure. Moreover, India's defense expenditure is aimed not only at Pakistan but also at other enemies. So, some weight should be given to this factor. For the present case, 50 percent of that is considered for recalculation.

According to the above assumption,  $RR = 2.83$  and  $P = 0.74$ . This is the other possibility. This result is more realistic than the previous one (according to Figure 1). India assumes Pakistan to be more aggressive and likely to destroy the peace of the region and so it retaliates to every provocation by Pakistan. As one recent report says,

The Indian Army has destroyed terror camps in PoK's Neelum valley. This was however a retaliatory firing by the Indian Army to a ceasefire violation by Pakistan in Neelum Valley in Pakistan occupied Kashmir (PoK). These terror camps on the banks of Neelum were operational for many years and multiple posts that were acting as launch pads for terror were involved in the ceasefire violation and those have been completely destroyed. (Times Now 2019)

Another cost that is omitted in the above analysis is political cost. Two major difficulties are encountered in evaluating this (Sköns 2006). Firstly, there is the

conceptual problem of what to include in estimates of political costs. The next difficulty is how to translate those items into monetary units. One example is the estimation of costs due to political and social problems created by refugees. Large numbers of minorities in Pakistan have been forced to emigrate from that country to India because the insecurity there not only exposes them to the threat of death and injury, but also reinforces their exclusion from political participation, basic services, education, and employment (Minority Rights Group International 2014). This is both an economic burden on the host country and also causes economic and social problems (UNHCR Standing Committee 1997).

Another interesting example is the way that domestic politics affect interstate conflict processes. It has been argued that “mobilization for interstate war should be politically costlier for democratic leaders than dictators. ... Waging interstate war is associated with higher military spending and, often, lower social spending” (Carter 2015). War may lead the ruling party to lose power. However, it is always difficult to measure such political costs in value terms whatever their types and however important they are. It is, therefore, desirable to review the alternative solutions (derived from other costs) from a social and political point of view only.

## Conclusion

The above two results reveal that conflict resolution would be possible if Pakistan could reduce its provocation (which leads to a higher  $R_1$  value). The alternative would be for India to encourage more formal bilateral trade (which leads to a lower  $R_2$  value). It is apparent that solutions such as these are not feasible. The results have been summarized in Table 2.

India withdrew Pakistan's MFN status after a terrorist attack was launched from Pakistani soil (PTI 2019a). After that, India increased the customs duty to 200 percent which affected the trade in Pakistani commodities. Also, Pakistan suspended trade ties with India. It is believed that Pakistan does not intend to move away from its policy of state sponsored terrorism.

In these circumstances, the only option for India is to increase  $X_{21}$ , i.e., to strengthen preparedness directly (militarily) or indirectly (diplomatically). India's diplomatic efforts to isolate Pakistan have been intensified, as one observer has noted,

India has opted for the diplomatic route. It has launched a multi-pronged campaign to isolate Pakistan internationally. Indian diplomats have briefed foreign ambassadors and heads of missions, expressing India's outrage at Pakistan's continuing use of terror as a state policy against India. It also briefed a gathering of leading European countries and experts at the Munich Security Meet. In addition, it made a renewed attempt to name Pakistan for its failure to take action against proscribed terror outfits

Table 2. Alternative Solutions of CRC Model

Strategies		$X_{11}$	$X_{12}$	$X_{21}$	$X_{22}$	$R_1$	$R_2$	RR	Probability of Pakistani aggression
Approach-1	Pakistan reduces provocation	↓				↑		↓	↓
Approach-2	India encourages more formal bilateral trade		↓				↓	↓	↓
Approach-3	India strengthens preparedness militarily			↑		↑		↓	↓
Approach-4	India strengthens preparedness diplomatically			↑		↑		↓	↓

Source: Author.

Note: ↓ indicates decreasing value/trend and ↑ indicates increasing value/trend

and their leaders like Masood Azhar at the Financial Action Task Force meeting that began in Paris on February 17. (Sharma 2019)

It was reported that following the attack in Pulwama, among a number of punitive measures, India pushed at the FATF plenary meeting for Pakistan to be blacklisted for funding terrorism (Chaudhury 2019).

In spite of having a number of “all weather” supporters, Pakistan is coming under international pressure (e.g., FATF action, the suspension of U.S. aid to Pakistan). The outcomes of such diplomatic efforts may be multifarious. They would, among other effects, impact remittance flows, borrowing from international financial institutions and foreign countries, foreign direct investment, international commerce, and Pakistan’s level of inflation, as well as prompting the monitoring of Pakistan’s financial institutions (Chohan 2019). Thus, diplomatic efforts (if a value can be attached to them) would increase  $X_{21}$ . Increased  $X_{21}$  means a higher value of  $R_1$ , which in turn reduces RR. A lower value of RR would finally reduce the (probability of) Pakistan’s aggression. If this could happen, peacebuilding between India and Pakistan might be possible.

Finally, it should be said that the above results justify the applicability of the CRC model in the present context. The unique feature of this model is its flexibility to accommodate the changing scenario through the cost matrix. New strategies of conflict resolution, which were previously unnoticed, could be acquired by properly identifying the causes of conflict and their related costs.

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**Tuhin K. Das** was Honorary Chair Professor of Planning and Development at Jadavpur University, India, until his retirement in 2018. He has engaged in research on operations research, energy and environmental economics, and health economics. His main interest is in natural disasters and conflict resolution, and he has supervised various research projects on these subjects. He is the author of a

number of books and research papers. He is currently engaged in developing the CRC model and its application in conflict resolution. Email: [tuhin22@hotmail.com](mailto:tuhin22@hotmail.com).

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