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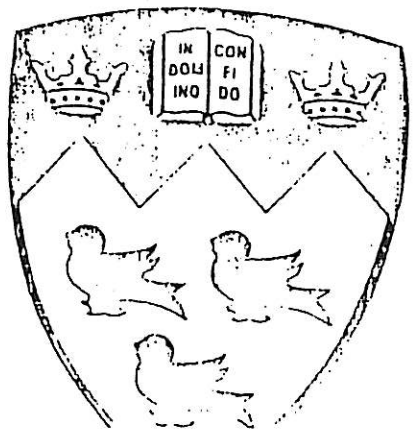
Journal of Political Economy
Revue d'Économie Politique

1993-1994 **19**



1993-1994

Volume XIX

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THEORY OF FOREIGN POLICY CRISIS DECISIONS: A MICROECONOMIC APPROACH TO PAKISTAN, INDIA AND THE SECESSION OF BANGLA DESH

Asif Siddiqui

This study analyzes the Bangla Desh Crisis by building upon previous works that have applied microeconomic theory to international relations. One of the most innovative lines of inquiry from the realist school is to study international relations through analogy with microeconomic theory. Although used to analyze conflict, war, and the workings of the international system, a strict application of microeconomic theory to interstate crises is rare. This thesis will endeavour to contribute to this linkage.

INTRODUCTION

The scholar who borrows from another discipline can utilize several elements that might prove beneficial. One is data. Insofar as any element from economics has permeated political science, probably the most influential has been economic data. GNP and GNP per capita have been useful, albeit very crude, measures of national power and well-being.[1] Another is concepts. Of the economic concepts that have been used by political scientists, utility theory and game theory have had the greatest impact. Third is the methodology of other disciplines. Systems analysis has been a major source of economic input to political science.[2] Thus, the understanding of several facets of political science have been broadened by economics.

Certain economic precepts will be employed in this essay. This study is designed to assess the utility of microeconomic theory in the analysis of foreign policy decisions made by individual states in crisis situations. Five specific decisions are examined:

1) attempt to contact the adversary to negotiate a peaceful resolution to a crisis;
2) attempt to secure UN intervention to defuse a crisis;
3) attempt to gain or reaffirm military commitments from major powers;
4) mobilization of military forces; and
5) deciding the point at which to start taking steps to defuse a crisis.[3]

In a larger sense, this essay attempts to test the efficacy of microeconomic theory in the analysis of international relations.

This study applies microeconomic theory to the analysis of Pakistani and Indian behavior during the Bangla Desh Crisis of 1971. The Bangla Desh Crisis has been chosen for study because it was one of the most severe and important crises in the Third World in the modern era in terms of changes brought about to the international political system and the South Asian subsystem. Before the Bangla Desh Crisis, Pakistan, while not considered India's equal, was seen as a reasonably effective counter to Indian power in the region. At the conclusion of the crisis, India was the superpower of South Asia. Pakistan was dismembered; and a new actor, Bangla Desh, entered the global system.[4]

MICROECONOMIC THEORY AND FOREIGN POLICY CRISIS DECISIONS

The starting point is the thesis that there are similarities between economic markets and international political systems. Reasoning by analogy is useful where it is possible to move from a domain for which theory is well developed, such as economic markets, to one where it is not, such as international political systems. Such reasoning is only permissible if the domains are structurally similar. Economic markets and international political systems do possess certain similarities. The market, in a decentralized economy, is created by the actions of persons and firms whose aims are to maximize their own internally-defined interests by whatever means at their disposal. From this coaction emerges a structure

(the market) which constrains and affects all of them. International political systems are similarly formed through the coaction of autonomous political units. In the contemporary era, the primary political unit is the nation-state. International political systems constrain the actions of the states within them just as the market constrains the actions of individual firms.[5]

At the micro level, there also are similarities between firms in the economic market and nation-states in the international system. Firms compete with each other. They interpenetrate, merge, and purchase one another. Firms are affected by actions of "nonfirm" actors. Nation-states, too, interpenetrate, merge, and purchase one another. They also compete in the international system and sometimes are affected by "non-state" actors (such as multinational corporations). It is the interaction of nation-states that forms the structure of the international political system.[6]

Although the backgrounds, political systems, cultures, etc. of states differ, states try to perform similar tasks. Nearly all states are involved in matters of education, culture and the arts, economic regulation, etc. There are agencies in each state to make, execute, and interpret laws. Each state has some means to defend itself. In microeconomic terms, states are like firms that make up an industry. An industry is constituted when a group of firms produce a well-defined product or a closely related set of products. Although the backgrounds and decision-making processes of firms may differ within an industry, each firm is similar in the kind of commodity it produces.[7]

An important differentiating factor among states at the international level is capability. At the domestic

political level, there is an ordered hierarchy. Institutions and agencies are the units of the domestic system. These units stand in relations of super- and sub-ordination with one another. Units are differentiated both functionally and by relative capability. The international system, by contrast, is decentralized and anarchic. Formal super- and sub-ordinate relations have not developed. The units of the international system, nation-states, differ not in the kinds of functions they perform but in how well they perform those functions. [redacted] major role in differentiating one state from another. The parallel to microeconomic theory is again present. Firms within an industry are differentiated not by the kinds of functions they perform but by their capability in performing those functions.[8]

Since this study examines crisis at the state[1] and not the systemic-level[9], it is micro-, not macro-, economic theory which is being utilized as the basis of analysis. Microeconomic theory is concerned with the interaction of firms in a market which, unless there is government involvement, is an anarchic system (as is the international political system). Macroeconomic theory deals with system-wide economic variables like supply, income, and demand at the national level. A macro theory of international politics would include system-wide aggregates like: number of global deaths in war; amount of global defence spending; amount of world GNP, etc. Although it is possible to use macrotheory, it is primarily microeconomic theory which has been used in the analysis of international relations.[10]

Microeconomic theory starts with three central assumptions about firms: first, and foremost, that firms make decisions with one goal, namely, the maximization

of profit; second, that each firm behaves as a unitary actor—thus, the question of how a particular decision is reached is ignored; and, third, that firms make rational and consistent decisions. Economists acknowledge that these assumptions might not accurately explain the way some firms behave in the real world, but they are considered a very good approximation of reality.[11]

Nation-states in the international political system are like firms in an oligopolistic industry.[12] As in an oligopoly, a few nations control most of the system's capability. Thus, microeconomic theory for industries that are oligopolies will be used in the analysis of the specific decisions under consideration.

An oligopoly[13] is characterized by two features. First, firms have the freedom of entry into and exit from the market-place, except where there are strict legal prohibitions. When economists speak of an industry's market, they do not mean one global market. Typically, an industry sells many different products in many different markets. Second, firms have some control over the price of the products they sell due to product differentiation. That is, a firm in an oligopoly sells a product, or a group of products, that is significantly differentiated from those of its competitors so that the ability of the consumer to substitute is curtailed to some extent. Limited influence over price ultimately means that a firm has some control over total revenue and total profit.[14] Thus, aside from capability, firms also are differentiated by: varying levels of ability to erect barriers to stop other firms from entering their markets; the various types of products they sell; and how competitive and profitable their products are in the market-place.

Microeconomic theory about firms in an oligopoly can be related to nation-states involved in foreign policy crises in the following way. As firms have relatively free entry into and exit from their arena of competition (the market), nations can enter freely into competition with other nations. Each state can decide for itself whether or not to threaten or use force. As in an oligopoly, where there is product differentiation, no two nations are exactly alike in what they have to offer—welfare systems, health-care, judicial systems, police, military forces, etc. Some firms have a degree of control over the price, and, therefore, total profit, of a product because of product differentiation. In the context of a crisis, nations with greater capability can have some control over the manner in which a crisis terminates (the total profit of settlement). The weaker nation is not able to create a product which can compete with the stronger nation's product.[15] Thus, aside from capability, states also are differentiated by: varying ability to create obstacles to military intervention by other members of the system; different kinds of services and amenities available to their citizens; and in the context of a crisis, their relative capability to resolve a dispute on terms favourable to themselves.

This study will focus on capability as the exclusive differentiating factor among states. The International Crisis Behavior (ICB) Project's definition of capability will be used in this work. The ICB Project defines capability as the total potential power available to a country from six types of resources: human (size of population); geographic (territorial size); economic (most notably, GNP); diplomatic (alliance relationships with major powers); military (military expenditure); and

nuclear capability.[16] Capability, defined in this manner, reflects other factors which differentiate states. It indicates the ability of a state to create obstacles to military intervention by other members of the system. The GNP component of capability reflects the different kinds of services and amenities available to the citizens of a state.[17] In the context of relative capability, the likelihood of a successful outcome in a crisis with another nation can be ascertained.

As noted, there are similarities between the international political system and an oligopolistic industry. At present there is no complete theory to explain the behavior of firms in an oligopoly.[18] There are, however, three rules for these firms.

Economists posit one rule as unique to an oligopoly: each firm's price and output decisions depend on how it thinks its competitors will react to those decisions. A firm might consider lowering prices slightly. This could increase its market-share and, thereby, the firm's profits, provided the cost of producing the added output was less than the revenue generated by the new sales. The firm in question, however, would ponder how its competitors would react to a unilateral price cut. Since all industries which are oligopolies are not the same—that is, the number and size of firms varies from one industry to another—a complete theory or set of rules that explain how these types of firms behave has never been developed. However, this rule provides a guiding principle for studying the behavior of firms in an oligopoly.[19]

Microeconomic theory lays down two rules for profit maximization. These rules apply to all firms (including those in an oligopoly). The first rule is that

total revenue from selling a product must equal or exceed the total variable cost of producing it—otherwise, the firm should not produce at all. The total cost of a product is made up of its total fixed cost and its total variable cost. The total fixed cost is the overhead cost. It does not change as the quantity of the commodity being produced changes. The total variable cost varies directly with the quantity of the commodity produced. For example, if a firm produces armaments, the cost of the plant is the total fixed cost because it does not change with the quantity produced. If the firm wanted to double its production of armaments by increasing the operating hours of the plant, the total variable cost would increase because of the cost of using more labour, material, electricity, etc. As the total variable cost rises, the total cost of producing the commodity rises. The total amount received by the firm is its total revenue. As long the total revenue is greater than the total variable cost, the firm is seen as being profitable. The total fixed cost is seen as a sunk cost that cannot be used for other purposes.[20]

The second rule of profit maximization is that, if it is worthwhile to produce, the firm should produce where marginal revenue equals marginal cost. Marginal revenue is the increase in a firm's total revenue due to an increase in sales by one unit. Marginal cost is the increase in total cost due to an increase in the rate of production by one unit. The law of diminishing returns states that marginal cost must exceed marginal revenue at some point. A firm's profit will continue to be lowered with every unit of a commodity produced where marginal cost is greater than marginal revenue.[21]

This essay explores the question of whether the three above rules can help explain the behavior of states in crises. Rule 1 is that the price and output decisions of a firm are influenced by how it thinks its competitors will react to those decisions. In terms of a foreign policy crisis, this is the equivalent of saying that decisions made by a state are influenced by the perceptions its leaders hold of the reaction those decisions are likely to bring about in other states.

Rule 2 is that a firm for which total revenue does not equal or exceed total variable cost should not produce. In an oligopoly, which means that there are at least two firms in competition with each other, Rule 2 can be restated as follows: any firm for which total revenue does not equal or exceed total variable cost should withdraw from the competition. Since this essay will examine decisions while crises are still in progress, total revenue and total variable cost will be viewed from the perspective of expected total revenue and expected total variable cost.[22] For international relations, Rule 2 can be expressed in the following way: Any state in a crisis situation for which the expected benefits do not equal or exceed the (physical, human, social, etc.) costs of going to war should try to defuse the crisis—essentially withdrawing from a competition that they are likely to lose.

Rule 3 is that a firm should produce at the level where marginal revenue equals marginal cost—assuming it is worthwhile to produce at all. It should be noted that this study is not concerned with calculating each incremental gain (marginal revenue) from each action (which incurs a marginal cost on those undertaking the action).[23] Instead, due to the limited scope of this study,

Rule 3 will be used only to ascertain whether microeconomic theory can be used to determine the point at which a state will start taking steps to defuse a crisis. As applied to termination of foreign policy crises, Rule 3 is the equivalent of saying: i) if a state's decision-makers perceive that the expected cost (the expected "marginal cost" in microeconomic terms) of going to war outweighs the expected benefit (the expected "marginal revenue"), then that state will try to defuse the crisis by attempting to withdraw from the competition or, if that is not possible, try to maintain (or restore) the political, territorial, and economic *status quo ante*; and ii) if a state's decision-makers perceive the expected benefits of going to war outweigh the expected costs, then that state will try to change the international system through political, economic, and/or territorial expansion until the expected costs of further change are equal to or greater than the expected benefits.[24]

Rules 1 to 3 will be used to develop hypotheses which relate a state's relative capability to the five specific decisions being examined in this study. This will be done later. At this point, the assumptions on which this study and each hypothesis are based will be clearly delineated.

There are three central assumptions in this essay. The first is that states behave as unitary actors. In reality, as with firms, states are not unitary actors. This study, as is the case in economics, takes the position that an assumption in theory is helpful in determining whether reality tends to be consistent with what might be expected from the theory. Thus, this assumption, and the ones that follow, are useful in building theory and their legitimacy should be judged by that alone.[25]

The second assumption of this essay is that states act to maximize "national interests". This is different from "maximizing power", which is likely to engender a hostile response from other members of the system. National Interests in a crisis can range from preserving to strengthening the state. The primary aim of the state is to maintain its own position in the system. Only after this goal is achieved can a state pursue other objectives.[26] The possibility of the use of force and a state's own relative capability will determine which policies best serve a state's interests.

The third assumption is that states make rational and consistent decisions. The rationality assumption is, of course, not descriptively accurate. It is utilized as a baseline (which can be tested against actual facts) thereby making a theory of international politics possible.[27]

The link between state behavior and system structure is forged by the latter two assumptions. By holding the maximization of national interests and the rationality assumption as constants, it is possible to develop testable hypotheses which attribute variations in state behavior to variations of the international system. This work focuses on changes in state behavior due to variations in relative capability; that is, the differences in the decisions made between those actors with a negative power discrepancy and those with a positive power discrepancy are studied. Five hypotheses, one for each decision being examined, have been developed from microeconomic theory:

HYPOTHESIS A: *States with negative power discrepancy (PD) are more likely than states with*

positive power discrepancy to attempt to contact the adversary to negotiate a peaceful resolution to a crisis.

The rationale underlying this hypothesis is that:

- states with negative PD are less likely to expect favourable terms of settlement (the expected "total revenue" at the end of a war);
- therefore, these states would prefer negotiation to the use of force;
- states with negative PD also might want to send out conciliatory signals with the objective of invoking similar responses from the other side;
- states with positive PD have less impetus to negotiate because they are more likely to expect favourable terms of settlement at the conclusion of a war;
- therefore, states with positive PD would be less inclined to negotiate than countries with negative PD.

HYPOTHESIS B: *States with negative power discrepancy are more likely than states with positive power discrepancy to attempt to secure UN intervention to defuse a crisis.*

The rationale underlying this hypothesis is that:

- states with negative PD are less likely to expect favourable terms of settlement at the conclusion of a war;
- therefore, these states would prefer mediation or intervention to forestall a possible military engagement;

- states with positive PD would lose leverage which could be used to gain a preferred solution if there is mediation or intervention by the UN;
- therefore, states with positive PD would be less inclined than countries with negative PD to attempt to gain UN intervention.

HYPOTHESIS C: *States with negative power discrepancy are more likely than states with positive power discrepancy to gain or reaffirm military commitments from the major powers.*

The rationale underlying this hypothesis is that:

- states with negative PD are less likely to expect favourable terms of settlement at the conclusion of a war;
- therefore, these states will have great incentive to gain as much assistance as they can for possible military engagement;
- although states with positive PD might also attempt to gain or reaffirm military commitments, they will have less incentive to do so;
- therefore, states with positive PD will be less inclined than countries with negative PD to gain or reaffirm military commitments.

HYPOTHESIS D: *States with positive power discrepancy are more likely than states with negative power discrepancy to mobilize military forces.*

The rationale underlying this hypothesis is that:

- states with negative PD are less likely to expect war to yield favourable terms of settlement at its conclusion;

- therefore, being concerned about possible reactions from the other side, states with negative PD would have little incentive to undertake actions which might provoke the other side to military escalation;
- states with positive PD might not wish to bear the costs of war but since political or other benefits might result from military threats or war, these states would have less of an inhibition to mobilize.

HYPOTHESIS E: *States with positive power discrepancy are more likely (than states with negative power discrepancy) to seek to change the international system until the expected costs of further political, territorial, and/or economic expansion are greater than the expected benefits whereas states with negative power discrepancy are more likely (than states with positive power discrepancy) to try to maintain (or restore) the political, territorial, and economic* status quo ante.

The rationale underlying this hypothesis is that:

- states with positive PD are more likely to expect favourable terms of settlement at the conclusion of a war;
- therefore, states with positive PD are less likely to attempt to defuse a crisis until: i) war breaks out and the full benefits which accrue from the war are realized; or, ii) the situation changes so that the costs of continuing a crisis or war no longer outweigh the benefits;
- states with negative PD are more likely to prefer a return to the situation previous to the time that a crisis (in which it finds itself) started rather than continuing a crisis (and risking a war) in which the expected costs outweigh the expected benefits.

These hypotheses will be reworked specifically for Pakistan and India in the next section of this essay.

At this point, a discussion of the manner in which these specific foreign policy crisis decisions test microeconomic theory is in order. Hypothesis E is designed to test Rule 3. The other four hypotheses are to be used in conjunction to test Rule 1 (the likely reaction of other states influences decision-making) and Rule 2 (states with lesser relative capability try to pursue policies designed to defuse crisis situations once the prospect of war is raised). That is, if a state with lesser relative capability: attempts to contact the other side; attempts to procure UN intervention; attempts to gain or reaffirm military commitments from the major powers; and, does not mobilize its military forces, this can provide a confluence of evidence to support the view that its leaders are trying to influence the other side and/or the world community to help negotiate an end to the crisis and, thereby, forestall the possibility of war. Likewise, if a state with greater relative capability attempts to circumvent UN intervention, then, this is an indication that its leaders are concerned about the potential reaction of the world community and are working to prevent other countries from becoming involved in the crisis. Similarly, if the leaders of a state with greater relative capability: refuse to meet with the other side; do not attempt to gain or reaffirm military commitments; and, mobilize their military forces, this can provide a confluence of evidence supporting the idea that they perceive the benefits of going to war outweigh any costs that might be involved. By pursuing such policies, states with greater relative capability continue a competition from which they are likely to benefit.

The above hypotheses are designed to be tested under certain conditions. Specifically, the hypotheses are to be tested during the "crisis period" of a crisis. The "crisis period" is discussed in greater detail below.

An integral part of the ICB Project's methodology used in case studies—the "decision flow"[28]—will be utilized to test the above hypotheses. The decision flow constructed in the next section is based on Michael Brecher's model of crisis (this model underpins the ICB Project). Brecher's model of crisis has three stages (or periods). Initially, there is the pre-crisis period (t_1). This period begins with an event (or cluster of events) which leads to a conspicuous increase in the perception of value threat by the senior decision-maker(s) of the state under inquiry. The pre-crisis period is followed by the crisis period (t_2) which also begins with a trigger event or cluster of events. This leads to the perception by the state's decision-maker(s) of all three conditions necessary for a crisis: a greatly increased perceived threat to basic values; an awareness that decisions are being made under time constraints; and an image of a high probability of war[29] at some point before the issue is resolved. (The "crisis period" should not be confused with the "crisis." The "crisis period" is one of three periods that make up a "crisis".) The crisis period is followed by the post-crisis period (t_3) which commences with an observable decline in one or more of the three perceptual conditions necessary for crisis (threat to values, time pressure for response, and war probability).[30] A foreign policy crisis terminates when the three perceptual conditions have returned to non-crisis norms.[31] The decision flow is a structured narrative of events which examines the background of

decisions and the interaction of the main crisis actors from the beginning of the pre-crisis period to the termination of the post-crisis period.

The hypotheses presented above have been designed to be tested during the crisis period. The relationship between the five specific decisions and war cannot be analyzed by examining the post-crisis period. Usually, before a crisis reaches this stage, a high likelihood of war has passed or a decision to go to war has already been made. Thus, war is not due to any decisions made in the post-crisis period.

It also would not be very fruitful to examine decisions made in the pre-crisis period. Patrick James' study, *Crisis and War*, best illustrates why this is the case. James tested expected utility theory for 132 international crises between 1948 and 1975. After expected utility theory was revised, to overcome conceptual problems with the theory as originally formulated, states with positive expected utility invariably held greater relative capability and states with negative expected utility possessed lesser capability in almost all cases. James found that 55.7% of the crises were initiated by countries with zero or negative expected utility. According to James, a state which challenges the *status quo* normally follows a very aggressive policy until its behavior is reciprocated by its opponent(s). At this point, the perception of the likelihood of war increases significantly for the challenger. In 94.1% of crises initiated by a state with zero or negative expected utility, there was no war. This result, according to James, is due to the fact that the challenger recognizes it is not likely to prevail in a war (in microeconomic terms, it would not have been

profitable to go to war) and, therefore, starts to act in a more conciliatory manner (behavior which is reciprocated by its opponent(s) in almost all cases).[32]

Thus, the outbreak of war, or lack thereof, should not be traced to decisions made in the pre-crisis or post-crisis periods. Decisions made in the crisis period are crucial in determining whether or not a war breaks out. Thus, in the next section, the hypotheses are designed to be tested during the crisis period.

The decision flow presented below is limited in scope. First, apart from noting the international context, the crisis period of the decision flow for both Pakistan and India concentrates on those aspects of each state's behavior being tested by the hypotheses. Second, the pre-crisis decision flow for both countries is not presented as a detailed narrative. Since the hypotheses are to be tested during the crisis period, such a narrative is not necessary. Instead, the pre-crisis narrative for the two countries will delineate those factors which triggered the change from the pre-crisis period (when only a threat to basic values is perceived by decision-makers) to the crisis period (when all three conditions of a crisis are perceived by decision-makers). Third, the decision flow terminates on December 3, 1971—the day marking the start of the Indo-Pakistani war over Bangla Desh. Fourth, only those major powers—the United States, the Soviet Union, and the People's Republic of China—which have had the most impact on South Asian politics since partition are included in the decision flow. Preliminary research had indicated that, despite the last two limits on the scope of the decision flow, it would be possible to determine whether or not evidence exists to

test the hypotheses. This, in fact, turned out to be the case.

A *caveat* is necessary at this point. This work is not designed to prove microeconomics. Theories, in the social sciences, cannot be definitively proven.[33] This study has the more modest aim of assessing whether the behavior of Pakistan and India during the Bangla Desh Crisis is consistent with behavior postulated by microeconomic theory.

MICROECONOMIC THEORY: APPLICATION TO THE BANGLA DESH CRISIS

Prior to the 1962 Sino-Indian War, Pakistan had been able to maintain a military balance in South Asia by becoming America's most important ally in the region. Due to the commencement of American and Western aid to India after that war, however, the strategic balance in the region had shifted steadily in favour of India. The termination of American military aid to the region in the wake of the 1965 Indo-Pakistani War also affected Pakistan more than India. The Indians, because of their earlier and closer relationship with the Soviet Union, were less reliant on American military assistance.

At the start of the Bangla Desh Crisis, India held the edge in four of the six resources defined as making up a state's potential power. India had greater human, geographic, economic, and military resources. Arguably, Pakistan held a slight edge in diplomatic resources because of its closer relationship to the United States and China although India enjoyed quite close relations with the Soviet Union. Neither side had nuclear weapons, though India was far more advanced in nuclear

technology.[34] Thus, in terms of capability, India was relatively stronger than Pakistan at the start of the Bangla Desh Crisis.

Hypotheses A to E will now be reworked in terms of relatively weaker and stronger actors. Microeconomic theory posits the following behavior for a relatively weaker actor:

HYPOTHESIS 1: *A weaker crisis actor will attempt to contact the adversary to negotiate a peaceful resolution of a crisis.*

HYPOTHESIS 2: *A weaker crisis actor will attempt to secure UN intervention to defuse a crisis.*

HYPOTHESIS 3: *A weaker crisis actor will attempt to gain or reaffirm military commitments from the major powers.*

HYPOTHESIS 4: *A weaker crisis actor will not mobilize its military forces.*

HYPOTHESIS 5: *A weaker crisis actor will try to maintain (or restore) the political, territorial, and economic* status quo ante.

The above hypotheses will be tested for Pakistan.

The following hypotheses are posited by microeconomic theory for relatively stronger actors:

HYPOTHESIS 6: *A stronger crisis actor will attempt to avoid any contact with the adversary which might lead to a peaceful resolution of a crisis.*

HYPOTHESIS 7: *A stronger crisis actor will attempt to block or circumvent UN intervention to defuse a crisis.*

HYPOTHESIS 8: *A stronger crisis actor will not attempt to gain or reaffirm military commitments from the major powers.*

HYPOTHESIS 9: *A stronger crisis actor will mobilize its military forces.*

HYPOTHESIS 10: *A stronger crisis actor will seek to change the international system until the expected costs of further political, territorial, and/or economic expansion are equal to or greater than the expected benefits (at which point, the behavior of stronger states can be expected to no longer be supportive of Hypotheses 6, 7, 8, and 9 because the rationale underlying each of these four hypotheses is based, in part, on benefits outweighing costs for the stronger state).*

These hypotheses will be tested for India.

BACKGROUND TO THE CRISIS

The root causes of the Bangla Desh Crisis lay within Pakistan itself. Even though East Pakistan contained 54% of the population, it was politically and economically dominated by the western wing. Approximately 84% of the central civil service consisted of West Pakistanis. The army was 95% West Pakistani. Approximately two-thirds of the central government's revenue expenditure went on defence of which more than 90% was in West Pakistan. In the two decades preceding the crisis, East Pakistan's shares of imports was in the 25-30% range although it had 50-70% of Pakistan's export earnings. This had resulted in a net transfer of $2.6 billion from East to West Pakistan over the period 1948-49 to 1968-69.[35] This western

domination provided the long-term background to the Bangla Desh Crisis.

It was in this environment of frustration that the leader of the East Pakistan-based Awami League, Sheikh Mujibur Rahman (known as Mujib), articulated his party's Six Point Plan in early 1966. The plan, basically, spelled out the following ideas:

1) Pakistan's government was to be federal and parliamentary, with representation in the federal legislature based upon population;

2) the federal government was to be responsible for only defence and foreign affairs;

3) there were to be two separate currencies freely convertible in each wing or one single currency subject to the establishment of a federal reserve system which would prevent the flight of capital from one region to another;

4) the federating units were to be responsible for fiscal policy and were to provide the federal government with requisite revenue resources for meeting the requirements of defence and foreign affairs;

5) a) the regional governments were to have power under the constitution to negotiate foreign trade and aid within the framework of the foreign policy of the country, which was to be the responsibility of the federal government;

b) constitutional provisions were to be made to enable separate accounts to be maintained for the foreign exchange earnings of each of the federating units, under the control of their respective governments; and

c) constitutional provisions were to be made for the foreign exchange requirement of the federal government to be met by the federating units; and

6) the governments of the federating units were to be empowered to maintain a militia or paramilitary force in order to contribute effectively towards national security.[36]

The Awami League was seeking the perquisites of office which the West Pakistani elite had denied to the Bengali elite. The Six Point Plan was designed to gain the vote of the frustrated East Pakistani electorate.[37]

By the late 1960s, pressure was mounting in both wings of Pakistan for the military government to give way to civilian rule. The massive opposition forced President Ayub Khan, who had been the head of the military government since 1958, to resign in 1969. His successor, General Yahya Khan, was compelled to announce on November 28, 1969 that general elections would be held at the end of the following year.[38]

The guidelines for the transfer to civilian rule were set out in the Legal Framework Order, 1970 (LFO) issued by Yahya in his capacity as President on March 28, 1970. The National Assembly, which was to be elected at the end of the year, was given power by the LFO to frame the constitution which was to embody certain "fundamental principles," most notably that:

Pakistan shall be a Federal Republic to be known as the Islamic Republic of Pakistan in which the Provinces and other territories which are now and may hereinafter be included in. Pakistan shall be so united in a federation that the independence, the territorial integrity and the national solidarity of Pakistan are

ensured and that the unity of the Federation is not in any manner impaired...

> All powers including legislative, administrative, and financial, shall be so distributed between the Federal Government and Provinces that the Provinces shall have maximum autonomy,...
>
> It shall be ensured that:... within a specified period, economic and all other disparities between the Provinces and between different areas in a Province are removed by the adoption of statutory and other measures.[39]

Due to pressure in East Pakistan, the LFO replaced the mid-1950s system of parity (both wings getting an equal number of seats in the national legislative body) with representation by population. Thus, the eastern wing was given 169 out of 313 seats. Until the constitution came into force, the LFO made the President the final legal authority in Pakistan. The President also was given power to: summon the Assembly on the date of his choosing; dissolve the Assembly if it did not frame the constitution within 120 days; see a draft copy of the constitution before it was presented to the Assembly; and to authenticate the Constitution Bill on pain of dissolution of the National Assembly if he did not find the Bill satisfactory.[40]

Islamabad had been informed by its intelligence services that the elections were going to be inconclusive. In such a situation, the army would hold the balance of power and could take a political initiative to protect its interests. There also is evidence to indicate that Yahya had been assured the Six Point Plan was for political consumption and that the Awami League would move

away from it after the elections. Mujib might have said the Plan was negotiable because he, himself, did not anticipate that his party would have an absolute majority and, thus, he would have to negotiate with the other parties.[41]

The results of the general elections, which were held on December 7, 1970, surprised all concerned. The Awami League, running on its Six Point platform, won 160 seats (and seven more in subsequent elections for women).[42] The Awami League's absolute majority opened up the possibility of an implementation of the Six Point Plan in its entirety—a situation that Islamabad had not foreseen. In the immediate post-election period, however, Islamabad was unclear about the substance of the Six Point Plan and had not thought through the consequences of its implementation.[43]

Thus, although the military had misgivings, there still was not a perception of crisis in mid-December. It was obvious from the mounting opposition which the army had faced in the late 1960s that there would have to be some deviation from the *status quo*. That is why the LFO called for "maximum autonomy" for the provinces and the ending of economic disparity between the two wings. Therefore, despite the election results, there was still a consensus within the military elite that power should be transferred to civilians.[44]

The Martial Law Administration was primarily interested in moderating the degree of change so that the army would be able to maintain an important position for itself; and Pakistan's unity would be safeguarded. In pursuing these objectives, Islamabad sought to bring about negotiations on the broad outlines of the constitution before the first sitting of the National

Assembly. Thus, the army tried at various times to bring about discussions between the Awami League on the one hand and, on the other, itself and/or political parties based in the West—especially, for reasons discussed below, the Pakistan People's Party (PPP) which won 88 out of 144 seats in West Pakistan.[45]

In mid-December, Yahya endeavoured to bring about a meeting between the leaders of the Awami League and the PPP. Zulfikar Ali Bhutto, the leader of the PPP, enjoyed an amicable personal relationship with the ruling junta. During the elections, the PPP ran on a platform of "Islamic Socialism" and a "thousand years war" with India. Thus, although Bhutto stood for the reduction in power of the West Pakistani establishment, he also favoured a strong central government and a powerful military capability for the country—thus, addressing the army's two central concerns. Immediately after the elections, Bhutto had proposed that the Awami League and the PPP, as the largest parties in East and West Pakistan, respectively, agree on the broad outlines of the constitution. In apparent agreement with Bhutto's idea, Yahya sent an emissary to both party leaders a few days later to arrange a meeting between them. Mujib declined Yahya's invitation. The military, because it anticipated inconclusive election results, had expected negotiations to take place between political leaders as a matter of course. Thus, Mujib's response was as unexpected as it was unwelcome.[46]

Bengali political opinion wanted a full implementation of the League's program since it had received the overwhelming endorsement of the East Pakistani electorate. Mujib, for his part, made it quite clear in his post-election speeches that he would not

compromise. In late December, he declared that the Six Point Plan would form the basis of the constitution. In early January, he had the elected Awami League members of the National Assembly swear an oath not to modify the Six Point Plan.[47]

It was with this background that, in mid-January, Yahya again attempted to bring the Awami League to the negotiating table. Yahya visited Dhaka from January 12-14, 1971 in order to hold meetings with Mujib. On the day of its arrival, the presidential party requested a copy of the Six Point Plan for the upcoming meetings.[48] For Islamabad, the start of the crisis—that is, the commencement of the pre-crisis period—can be directly traced to those mid-January meetings in Dhaka.

DECISION FLOW

PAKISTAN'S PRE-CRISIS PERIOD (Mid-January to April 9)

Two factors triggered the pre-crisis period for Islamabad.[49] First, during the Government-Awami League meetings in mid-January, government officials became more fully apprised of the Awami League program and the potential consequences to the armed forces if it was fully implemented. Second, Sheikh Mujib did not give the necessary assurances to allay the Government's concerns over the Awami League's program.

First, Islamabad began to realize that the Awami League's assumption of power would have serious consequences for the army. An Awami League government raised the possibility of: enforced expansion and promotion of Bengalis in the officer corps to

eliminate inequities; an accommodative stance toward India; limits on defence spending; and a reduced stature for the military with the expansion of the provincial militias specified in the Six Points. Thus, after more than a decade of protection under Ayub, the spectre of political interference in the military was raised.[50]

Second, the assurances given by Mujib proved insufficient in allaying the concerns of the army. At a meeting held on January 14 between government and the Awami League officials, Mujib promised: not to base the constitution rigidly on the Six Points; to meet with West Pakistani leaders several days before the first sitting of the National Assembly in order to incorporate their ideas into a draft constitution; not to dismiss anyone from West Pakistan in the civil or military bureaucracy; and to make Yahya the next "elected" President of Pakistan. Government officials, however, had built up a latent skepticism toward Mujib and intimated that the Awami League could force a constitution through the National Assembly regardless of assurances given in the privacy of meetings. Thus, Yahya specifically pressed Mujib to work closely with the PPP. Mujib, however, would not make any specific commitments in this regard.[51]

After this meeting, Yahya and other government officials[52] perceived a significant increase in the threat posed by an Awami League federal government to the position of the army and a unified Pakistan. Islamabad, however, did not move against the Awami League at this point. This might have been because of the promises Mujib had made to protect West Pakistani and army interests. It seems that the government was willing to let

the situation develop before deciding what course of action to follow.

Mujib publicly declared in early February that the National Assembly should meet by the end of the month or early March. He added that a date for the first setting should be set by February 15 and proclaimed it a day of "direct action" to press the government. On February 13, Yahya announced that the National Assembly would meet on March 3 in Dhaka (Mujib's preferred location).[53]

It also is likely that another factor played a significant role in Yahya's decision to summon the National Assembly. In early February, Mujib had accepted an invitation from Yahya to come to Islamabad to discuss the political situation. Because of Mujib's promises at the January 14 meeting, the army high command also expected that negotiations would take place between the Awami League and West Pakistani-based political parties.[54]

Within days of the February 13 announcement summoning the National Assembly, however, the public debate between the Awami League and the PPP became acrimonious. On February 15, Mujib declared that the Six Points were public property not susceptible to adjustment. The same day, Bhutto made it clear that, unless there were prior negotiations on the constitution, the PPP would boycott the National Assembly. On February 17, Bhutto declared that there was no room to negotiate with the Awami League and added that a National Assembly meeting in Dhaka would be a "slaughter house" for him. After this speech, Mujib cancelled his visit to West Pakistan.[55] It seems that, at

this point, the situation had developed sufficiently for Islamabad to choose its next course of action.

On February 22, a meeting of governors, martial law administrators, and the heads of the military and civilian secret services was called to discuss the crisis in East Pakistan. At this meeting, Yahya noted that the PPP was unwilling to attend the National Assembly because of the Awami League's "rigid" stand on the Six Points. Yahya opined, therefore, that no useful purpose would be served by a meeting of the National Assembly. After this meeting, Yahya informed the Governor of East Pakistan that on March 1 he intended to postpone the first session of the National Assembly in order to give the parties more time to settle their differences. It seems that a few days after this meeting, the military government began the secret reinforcement of troops in East Pakistan. Thus, by late February, greater emphasis came to be placed on a military solution in East Pakistan.[56]

On March 1, a message was read out over Pakistan radio which announced that the National Assembly was being postponed *sine die*. The military government expected Major General Yaqub Khan, who had been appointed to act as both Martial Law Administrator and Governor of East Pakistan on March 1, to easily quell any Bengali opposition to the announcement. The scale of the Bengali reaction to the announcement on March 1 and the inability of the military authorities in the East to contain it came as a surprise to the decision-makers in Islamabad. Hostility, long simmering, was unleashed at an unprecedented level against people from the western wing and non-Bengali Urdu-speaking "Biharis" who had settled as

refugees in East Pakistan after partition. Units of the Pakistani army in the East became increasingly constrained in their movements and in their procurement of supplies. Despite the occurrence of these events, there was a perception in Islamabad that only a lack of will or mismanagement could account for the difficulties of the military authorities in the East.[57]

On March 3, a highly successful non-cooperation movement was launched by Mujib in response to the postponement of the National Assembly. It also was announced on March 3 that Mujib would speak at the Dhaka racecourse on the 7th, when it was widely expected that the independence of Bangla Desh would be proclaimed. Several deaths were attributed to the army when it reacted to civil disobedience and violence against non-Bengalis. This increased the pressure on Mujib to secede from Pakistan.[58]

In Islamabad, the perceived threat to the unity of Pakistan and the future position of the army increased dramatically after March 1. Government leaders also perceived that they would have to act quickly before the army's position in East Pakistan deteriorated even further. Thus, on March 6, Yahya personally announced that the National Assembly's first meeting had been rescheduled for March 25. In the interim, the buildup of Pakistani armed forces continued. It also was announced that Lieutenant-General Tikka Khan, who had previously won a reputation for toughness in situations of civil disorder in Baluchistan, would replace Major General Yaqub as Martial Law Administrator and Governor of East Pakistan.[59] In this way, Islamabad was leaving open the possibility of taking greater military action at some future point if such action was deemed necessary.

The Awami League leadership did not move to secession at this time. Mujib, during his March 7 speech at the Dhaka racecourse, stated that the Awami League would participate in the National Assembly provided there was an immediate "transfer of power to the elected representatives of the people."[60] This implied that the President would no longer have the power given to him by the LFO to call the Assembly into session at a date of his choosing, to authenticate the constitution, and to set a time-limit on the framing of the constitution by the Assembly.[61]

It was announced on March 9 that Yahya would visit East Pakistan in the near future so that preparations could be made for the meeting of the National Assembly. It seems that the army intended to use these discussions, between March 15 and March 25, either to bring about a split between different elements in the Awami League or to win time to complete preparations for military action against the Awami League and its supporters. On the other hand, it would have been difficult for the Awami League leadership to accept a settlement which fell far short of the Six Points because of the pressure that had been built up in East Pakistan. After much deliberation, Yahya's team of negotiators indicated that a formula for the immediate transfer of power by proclamation would be acceptable to the President. A draft proclamation was drawn up by the government team on March 19 to serve as the basis of further negotiations. It was agreed on March 22 that the National Assembly again should be postponed so that a final version of the proclamation could be prepared.[62] At this point, Islamabad still was willing to give serious consideration to a political resolution of the crisis.

The turning point toward a military solution came on March 23, "Pakistan Day," which had been renamed "Resistance Day" by the Awami League. On this day there were demands for independence at demonstrations and parades throughout East Pakistan. The Bangla Desh flag was hoisted on buildings throughout East Pakistan. As for the Pakistani flag, either it was seen behind armed guard at military installations or it was seen being trampled on the streets.[63]

It also was on March 23 that the Awami League met with government representatives to discuss amendments to the presidential draft proclamation which they wanted made. The draft proclamation, as amended by the Awami League, referred to Pakistan as a "confederation." Such an arrangement had not even been intimated before. As government representatives pointed out, a confederation is in essence an agreement between two sovereign states. Not only did a call for the "Confederation of Pakistan" violate the LFO but it also violated the first point of the Awami League's own Six Point Plan.[64]

The events of March 23 confirmed Islamabad's suspicions that Mujib could not be trusted to uphold the unity of Pakistan nor to protect the future position of the military. Unless preemptive action were taken, the military command feared that, at best, the forces in East Pakistan would become prisoners in their cantonments before being forced to leave; or, at worst, the troops in the East would have to fight a civil war while lacking resupply capability against Bengali police, troops, and guerrillas. Thus, on March 23, the army high command decided to take military action against what was termed a rebellion.[65]

The army set March 25 as the date on which it would take military action in the East. In the month that Pakistani troops had been reinforced in the eastern wing, their numbers had doubled from 20,000 to 40,000. In order not to arouse suspicion, the military continued to negotiate with the Awami League on and after March 23. Yahya, as planned, suddenly left Dhaka on March 25 without explanation. After Yahya landed in Karachi, West Pakistani units of the army moved against the Bengali police, the East Pakistan Rifles, the East Bengal Regiment, and the paramilitary *ansars*. Units of the army also were mobilized against students, opposition newspapers, and foreign journalists (who were deported on March 27).[66] The actions of the Pakistani army on March 25 marked the beginning of an attempt to impose a military solution on East Pakistan.

Most of the Awami League leadership started fleeing to Calcutta from March 25 onwards. (Mujib stayed behind and was arrested the next morning.) About 20,000 Bengalis belonging to the military, paramilitary and police also managed to cross the border. The General Secretary and Deputy Leader of the Awami League, Tajuddin Ahmed, declared the independence of Bangla Desh on April 10 from Calcutta. With Indian assistance, a Provisional Government-in-Exile was set up in Calcutta on April 14 with Ahmed as Prime minister. India also helped set up the rudiments of a military structure under a former officer in the Pakistani army, Colonel A.G. Osmani. This military force was known as the *Mukti Fauj* (People's Army). Thus, from mid-April onwards, the East Pakistanis in the forefront of the Bangla Desh struggle were politically and

militarily organizing themselves with Indian assistance to confront the Government of Pakistan.[67]

PAKISTAN'S CRISIS PERIOD (April 10 to December 3)

Bangla Desh's independence declaration was an internal verbal challenge to the military regime, triggering the crisis period for Pakistan's decision-makers. The creation of the Bangla Desh Government-in-Exile and the *Mukti Fauj* greatly increased their perceived threat to the territorial integrity of Pakistan. In mid-April, it would have been possible to traverse the length of East Pakistan without encountering any central government authorities. Thus, there was pressure on government forces to retake control of the eastern wing as quickly as possible in order to limit any support the Government-in-Exile and the *Mukti Fauj* might be able to garner in the province. The creation of the *Mukti Fauj* also led to the perception that the central government was going to face not only disparate guerrilla bands, assisted on occasion by Indian Border Security Forces, but prolonged guerrilla warfare against Bengalis being trained and given material support by the Government of India. This was unprecedented. There also was a perception of a significant increase in—if not a high probability of—war with India. In March 1970, Indian Border Security Forces adjacent to East Pakistan had been reinforced and Indian armed forces had been sent to West Bengal. According to the Indian government, this had been done to counter political terrorist activity in the region. There was a perception among Pakistani officials, however, that these troop movements were part of a military buildup for offensive action in East Pakistan if the opportunity were to present itself.[68] Thus,

April 10 marked the Pakistan's entry into the crisis period of the Bangla Desh Crisis.

During the first month of its crisis period, the Government of Pakistan made two specific decisions which relate to the hypotheses being tested. First, Pakistan sought military commitments from China. Second, the military government continued with its efforts to restore the territorial and political *status quo ante* of East Pakistan. Each of these decisions will be looked at in turn.

Throughout April, Pakistan tried to secure military commitments from China in the event of an Indo-Pakistani war. A series of letters were exchanged between Islamabad and Beijing concerning this matter. On April 13, the Government of Pakistan published a letter in which Chou En-lai assured Yahya that: "should the Indian expansionists dare to launch aggression against Pakistan, the Chinese government and people will, as always, firmly support the Pakistan government and people in their just struggle to safeguard state sovereignty and national independence."[69] However, according to authoritative sources (including a former member of the Pakistani Foreign Service), there was one part of the letter which was not made public in which Chou wrote: "the question of East Pakistan should be settled according to the wishes of the people of East Pakistan."[70] Islamabad suppressed this sentence in order to give the impression that Pakistan would have China's unqualified support in any future conflict with India. By mid-April, however, the core group in the Yahya Khan government did not expect Chinese military intervention in the event of a war with India and acted accordingly

thereafter.[71] Thus, Pakistan's first attempt to get military commitments from a major power were frustrated.

The Government of Pakistan tried to restore the territorial *status quo ante* in East Pakistan throughout the crisis. By late April, Pakistani troops had recaptured almost all of the province and there was a perception among Pakistani decision-makers that the crisis was diminishing. When Cox's Bazar was retaken on May 10, it marked the re-establishment of Pakistani control over the eastern wing. For most of the time under consideration in this study, the Government of Pakistan would be able to maintain relatively tight control of the urban areas and a tenuous grip over almost all of the East Pakistani countryside.[72]

From the March 25 crackdown onwards, Islamabad tried to maintain the political-diplomatic *status quo ante* in East Pakistan; that is, Islamabad tried to secure international recognition that what was happening in East Pakistan was a matter strictly within Pakistan's domestic jurisdiction. Starting in late March, Islamabad issued a hail of protests against "interference" by India in the "internal affairs" of Pakistan. U Thant offered assistance from the United Nations in notes sent to the Pakistani government on April 5 and 22. In the April 22 note, the Secretary-General stated his belief that: "the United Nations and its specialized agencies have a most useful role to play, with the consent of your government, in providing emergency assistance."[73] Yahya responded on April 29 that: "international assistance, if and when required, will be administered by Pakistani relief agencies."[74] Most countries, including the US, Soviet Union, and China had publicly or privately expressed the view by late April that the

situation in East Pakistan must be regarded as the internal affair of Pakistan despite the fact that there were over 500,000 refugees in India by that time.[75]

INDIA'S PRE-CRISIS PERIOD (Late April to late July)

After March 25, there was mounting public pressure in India for immediate military intervention but Indira Gandhi's government[76] did not wish to commit the country to a military course of action at that time. The Chief of Army Staff, General Manekshaw, advanced three reasons why India should not undertake action in late March: 1) while Tibetan passes were still open, India ran a greater than normal risk of temporarily losing territory to the Chinese; 2) the campaign would have to end by the monsoon season (which usually starts in mid-June), otherwise the Indian army would be impeded; and 3) India did not have sufficient numerical superiority on the East Pakistan border for immediate action. Therefore, the Indian army would have to wait until mid-October for the ground to dry in East Pakistan after the monsoon. The mountain passes between India and China usually did not receive snowfall before November. It was shortly after March 25 that India started formulating plans to re-equip, re-train, and transfer its forces from the Chinese border to positions close to East Pakistan in case it was decided that military action was feasible at some future date.[77]

Early in April, the Indian government decided to: 1) register refugees from East Pakistan as foreigners; and 2) have the majority of refugees settled in camps close to the India-East Pakistan border. In previous exchanges of population with Pakistan, refugees coming to India had been given the status of citizens. The reason

for the Indian decision was that, unlike previous refugees, the majority of refugees coming to India in late March 1971 were Muslim.[78] This decision had a profound impact on the crisis.

The situation developed into a crisis for India by late April, because of three factors. First, after mid-April, there was a sudden surge of refugees with no signs of a slowdown in the influx which was placing a great economic burden on India. Second, since mid-April, a greatly increasing proportion of the refugees entering India were Hindu. Islamabad had placed much of the blame for East Pakistan's problems on its Hindu population. New Delhi, after mid-April, became increasingly concerned that Islamabad intended to expel much of the Hindu population from East Pakistan. India's decision-makers perceived such an expulsion would have a dramatic effect on India's politics, society, and economy. The third reason that the situation developed into a crisis was that Indian decision-makers perceived an increasing military because Pakistan might retaliate against India's assistance to the Bengalis.[79]

Throughout India's pre-crisis and crisis periods, one of New Delhi's major objectives was to bring about a negotiated political settlement between the Government of Pakistan and the Awami League. Until late May, India's primary strategy was to try to persuade external powers to bring pressure to bear on Islamabad to partake in such negotiations. The Indians recognized that their strategy probably would not be successful. New Delhi, however, was not ready to act on its own at this point.[80]

In late April, Islamabad sought to restore the political-administrative *status quo ante* in East Pakistan.

An attempt was made to recreate the civil bureaucracy, which had dissolved in March, for the province. An attempt also was made to reorganize and reconstitute police and other internal security forces at this time. The personnel recruited to fill these vacancies were normally either West Pakistanis on temporary duty or East Pakistanis whose allegiance was in doubt. For this reason, although the Pakistani government was able to reassert military control over almost all of the province for most the crisis, it was never able to reassert administrative control outside of the urban areas.[81]

The Government of Pakistan placed greater emphasis on restoring the political and territorial *status quo ante* than in reconstituting East Pakistan's economy. Repressive military action and punitive measures were used against the civilian population. This led to widespread damage to property and a continued dislocation of the economy.[82]

The continued flight of refugees from East Pakistan was placing a tremendous burden on the Indian economy and exacerbating social tensions. According to the Indian Labour and Rehabilitation Minister, the number of refugees in India increased from 1,251,544 on May 1 to 3,435,243 on May 21. In a speech to the *Lok Sabha* on May 24, Indira Gandhi asserted that: "what was claimed to be a problem of Pakistan has become an internal problem of India." The central theme of Indian diplomacy became that Pakistan was responsible for creating conditions which would facilitate the return of the refugees. Thus, Pakistan had to give "credible guarantees for their future safety and well-being." The Prime minister went on to say, "If the world does not take heed, we shall be constrained to take

all measures to ensure our security and the preservation and developments of the structure of our social and economic life."[83]

New Delhi became increasingly dissatisfied with the support India was receiving from the international community in June. By the end of June, India made four decisions. First, all refugees, including the very quickly escalating number of Bengali Hindus, were to be returned. Previously, Hindu refugees had been allowed to stay in India. Second, India would support a transfer of power in Pakistan to the moderate elements of the Awami League. Whether this transfer took place within a Pakistani federation or in an independent state did not concern Indian decision-makers. Third, force would be used to achieve Indian objectives. Initially, the force to be used was to be indirect, namely, giving increased support to the Bangla Desh fighters. If necessary, direct Indian intervention would occur at an appropriate time if the Bengali guerrillas could not bring about an acceptable solution on their own. Fourth, India would make greater efforts to mobilize international public opinion in support of Indian objectives.[84]

Pakistan approached the United Nations in June to seek assistance in the repatriation of refugees from India. In early June, it was announced that a Pakistani intergovernmental committee and a special UN group would work together closely in planning relief work for East Pakistan. A report was prepared on the rehabilitation needs of East Pakistan by Ismat T. Kittani, the UN Under Secretary-General for inter-agency affairs. India became concerned in June, however, about the political implications of a UN role when the UN High Commissioner for Refugees, Prince Sadruddin, allegedly

blamed the liberation movement for the problem of displaced persons. The Indians were concerned that Yahya might use the UN as a shield. Yahya probably wanted cooperation with the UN for this reason.[85]

The major development in July was the Sino-American *rapprochement* which largely was due to the efforts of the Pakistanis. On July 15, President Nixon announced he would visit China at some point before May 1972. The *rapprochement* signalled the coming together of Pakistan's closest allies.[86]

Shortly thereafter, New Delhi began to think that it was very likely that Indian military forces would have to be used in East Pakistan to bring the crisis to a conclusion. The Indian leaders felt that Pakistani decision-makers would view the *rapprochement* as having a deterrent effect on India. Furthermore, the US-China *rapprochement* was viewed by India as greatly diminishing the possibility of the US serving as a mediator in the East Pakistan crisis. It was thought in New Delhi that the Chinese would induce the US to maintain American support of Pakistan. From New Delhi's perspective, American pressure was essential to make the Pakistanis move in a direction favourable to India.[87]

INDIA'S CRISIS PERIOD (Late July to December 3)

The crisis period for Indian decision-makers commenced in late July. The Sino-American *rapprochement* signalled the failure of India's policy of forcing Pakistan to come to terms with the Awami League through diplomatic pressure. By late July, the Indian government concluded that India would not be able to mobilize sufficient pressure from other members

of the international community to bring about a change in the Pakistani policy. There were 7 million refugees, the vast majority of them Hindu. Thus, the political, social, economic, and military threat faced by India because of the refugees had increased dramatically since late April. In order to avert the multifaceted threat posed by the refugees, India had to act within a finite period of time before the situation exploded. The *Mukti Bahini* (it changed its name from the *Mukti Fauj* in mid-July to mark the advent of the navy and the air force) had done well in its monsoon offensive but it had become obvious that the Pakistani army could not be defeated by the guerrillas alone. There was an increasing perception among Indian decision-makers that India probably would have to go to war before the crisis resolved itself.[88] Thus, late July marks the beginning of the crisis period for India.

There were several critical factors which influenced New Delhi's policies during the remainder of the crisis. The saliency of these factors continued to increase as the crisis ran its course.

First, there was the refugee issue. Before the resolution of the crisis, nearly 10 million refugees would cross over into India from East Pakistan. Refugees, however, had emigrated to India before. If the number of refugees had been the only contentious issue, it is unlikely that there would have been a war on the subcontinent in 1971.[89]

There was, second, the destabilization of Indian states on the East Pakistan border. There had been leftist insurgencies in these states in the near past to which the central government had responded by deploying the Indian military. This political turmoil reflected the ethnic

and communal divisions within these states. The Bengali refugees exacerbated these divisions over the course of the crisis.[90]

Third, there was the perception in New Delhi of the necessity of a government coming to power in a federated East Pakistan or an independent Bangla Desh that was both democratic and moderate—with heavy emphasis on the moderate. A radical government in Dhaka could create problems for New Delhi in two ways. First, a leftist government could develop ties with "extremist" leftist groups in northeastern India. Second, a leftist government in Dhaka could carry out internal policies (e.g., land reform) which might lead to another outpouring of refugees to India. The Indians were concerned about a prolonged Pakistani civil war in which leftist forces in the Bangla Desh movement eventually gained control. New Delhi wanted a Mujib-led Awami League government in Dhaka preferably due to negotiations between Yahya and the Awami League but, if necessary, installed through the use of Indian force.[91]

It was at this time that the Government of India assessed the extent to which India could politically, territorially, and economically expand through a war with Pakistan before the costs outweighed the benefits. There was a perception among decision-makers that, in the case of war in East Pakistan, victory would be relatively easy for India and humiliating for Pakistan. There was a perception that China and the United States would definitely not intervene to support the Pakistani army in East Pakistan. A victory in East Pakistan was viewed as increasing India's political-diplomatic status. India would be the undisputed dominant power in the

region. Indira Gandhi wanted India to be seen as an Asian power and not just a South Asian power. The Indians also concluded that the costs probably outweighed the benefits of trying to inflict an overwhelming military defeat on the Pakistani army based in the western wing. There was no perception that a war in West Pakistan would be easy. New Delhi was not certain that China would stay out of a war if Pakistan's forces were being badly beaten in West Pakistan. Furthermore, India also was not sure how the United States would react if Pakistani forces were being routed in the western wing. Pakistan was a northern tier state and a member of CENTO. For these reasons, New Delhi decided to fight basically a defensive war on its western front designed to gain a few strategic points in Kashmir. This was thought to be the best way to keep outside powers from coming to the aid of Pakistan.[92]

The Pakistani authorities tried to contact India to negotiate a peaceful resolution to the crisis in East Pakistan throughout July and August. On July 12, Yahya started making attempts to meet Gandhi but, as he said a few days later, "the lady said no."[93] Yahya continued to try and arrange a meeting with Indian representatives but was unsuccessful. New Delhi's position was laid out on September 28 by the Indian Foreign Minister at the United Nations General Assembly. He stated that what was happening in East Pakistan was a problem that had to be resolved between the Awami League and Islamabad. Thus, there was no scope for talks between India and Pakistan.[94]

Pakistan attempted to secure UN intervention to help defuse the crisis in July. Islamabad urged the UN to send "observers" or "representatives" to the East

Pakistan border to assist in the creation of favourable conditions for refugees to return from India. On July 19, UN Secretary- General U Thant made an attempt to have UN personnel intervene in the crisis. The Secretary-General sent an *aide memoire* to New Delhi and Islamabad asking to have United Nations High Commissioner for Refugees (UNHCR) "representatives" stationed along the Indo-East Pakistani border. If only "representatives" (as opposed to "observers") were sent, then an initiative of the Security Council was not required. On July 20, the Secretary-General asked the Security Council to reach an agreement as to what measures should be taken to relieve the situation. U Thant's initiatives were immediately welcomed in Pakistan. The Indian Foreign Minister officially rejected U Thant's proposal on August 3 stating that "representatives" alone could not create "the necessary feeling of confidence among the refugees but would only create a *facade* of action as a cover up for the continuation of present policies of the military rulers of Pakistan, and further aggravate the suffering of the people of Bangla Desh."[95] Less charitably, the Indians might have been convinced that the UN might see the support being given to the secessionist movement by New Delhi. Furthermore, if the Security Council agreed on steps to be taken to defuse the situation on the subcontinent, India would have to defy the Security Council if New Delhi decided that Indian interests were best served by war.[96]

The Sino-American *rapprochement* and increasing pressure from the UN for a role in East Pakistan provided the immediate background for the signing of the Indo-Soviet Treaty of Peace, Friendship

and Cooperation. The treaty was concluded on August 9, 1971 at the urging of the Indians. The public "line" used by New Delhi was that Indian security faced a threat from Pakistan, the US, and China which required a counterforce—that is, the USSR. Added to the Pakistani-Chinese collusion theme were the possible negative effects on India due to the Chinese-American *rapprochement* on July 15. Henry Kissinger had visited both New Delhi and Islamabad on his way to Beijing in mid-July. Through carefully contrived Indian leaks, Kissinger, during his visit to New Delhi, was alleged to have told an Indian official that New Delhi could no longer count on American commitments (made in the context of the 1962 Sino-Indian border war) to India in case of a Chinese attack.[97]

The Indian government clearly understood that the public line used to justify the treaty had little basis in fact. New Delhi was so confident that China would not intervene that in late July (that is, before the signing of the Indo-Soviet Treaty), orders were sent to the army commander on the northeastern section of the Chinese frontier to transfer 3 of his 6 divisions to the East Pakistani front. There is evidence to indicate that by this time, and probably much earlier, copies of letters exchanged between Islamabad and Beijing in April had been obtained by the Indian government. In these letters, Beijing had explicitly stated that it would support Pakistan politically in the its dispute with India but the military forces of China would not intervene in another Indo-Pakistani war. The Indians did not emphasize this because New Delhi wanted to play up the theme of Pakistan-Chinese collusion. Authoritative sources in India also say that Kissinger did not make the comments

attributed to him concerning American commitments in the event of a Chinese attack. After Kissinger's return to Washington, he did inform L.K. Jha, the Indian Ambassador to the US, that American commitments applied only in the case of a Chinese attack and not under circumstances in which military action was initiated by India against Pakistan. The Indian government's public line was accepted by most of the press, opposition leaders, and the political public.[98]

The Indian government's decision to press for the treaty in early August was influenced by several factors. The Indian bureaucracy had become demoralized over its inability to attract international support for India's stand by late July. The Indian government hoped to bolster the morale of the bureaucracy by signing the treaty. In domestic political terms, the timing was right to implement publicly a decision—to conclude a treaty with Moscow—that had been made in 1970.

It is important to note the context in which the treaty was signed. India and the Soviet Union agreed to the broad outlines of a treaty in 1969. The treaty would have been signed in 1970 except that Indira Gandhi was at the head of a minority government (in early 1971, voters decisively elected her to lead a majority government). Signing a treaty with the USSR could have been portrayed as a transgression of India's sacrosanct principle of nonalignment. Thus, Indira would have opened herself up to a great deal of criticism. The Bangla Desh Crisis, however, provided the Indian government with an opportunity to have any domestic criticisms of becoming more closely involved with a superpower greatly muted.

When India approached the Soviet Union about signing the treaty in mid-1971, the Soviets were very hesitant. Moscow was under the impression that New Delhi wanted the Soviets to intervene if India was attacked by China. The Indians had to give explicit assurances that they were not trying to gain military commitments from Moscow. Once Moscow recognized this, an agreement was quickly concluded.[99]

New Delhi pressured Moscow to support the Indian position politically in the event of hostilities. In the meantime, New Delhi asked Moscow to provide certain military equipment that the Indian armed forces required as quickly as possible. There were several "unofficial" leaks to the press in India which implied that Moscow had verbally extended guarantees during the negotiation of the treaty to counter any possible Chinese intervention in the event of an Indo-Pakistani war (which was not true). In the UN Security Council, however, where India needed Soviet support the most, Moscow's support for New Delhi was unflinching almost to the end of the war which was to eventually break out.[100]

The signing of the Indo-Soviet Treaty opened a new phase in the crisis for Islamabad. Pakistan again tried to gain UN intervention in East Pakistan to defuse the crisis. The Pakistani Ambassador to the UN, Mr. Agha Shahi, wrote to the President of the Security Council on August 11. Shahi proposed that the border of India and Pakistan should be visited by a "good offices" team of the Council to "defuse the tense situation there."[101] On August 18, India rejected the idea of UN "observers" or "good offices" teams being sent to the Indo-Pakistani border. The Indians were backed up in

the UN by the Soviet Union. The Secretary-General of the UN was informed on August 20 by the Ambassador of the Soviet Union that his country was opposed to any Security Council meeting to discuss the problems in East Pakistan.[102] Thus, Pakistan's efforts to gain UN intervention were frustrated again.

Soviet relations with Pakistan became openly hostile in August. In mid-August, the proposed visit to Moscow by Pakistan's Foreign Secretary was postponed. Although some discussions about economic aid took place between the two countries in August and September, Soviet actions as a whole were detrimental to Pakistan's interests.[103]

Throughout September, the Pakistani authorities continued trying to get the UN Secretary-General and the Security Council to intervene in order to defuse the crisis. Islamabad tried to get world opinion on its side. The Pakistanis argued that "in violation of its solemn obligations under the Charter of the United Nations India not only refuses to honour its commitments with regard to peaceful settlement of outstanding disputes between Pakistan and itself, but it is also interfering in the internal affairs of Pakistan." The Indians responded that the situation in East Pakistan was not an India-Pakistan problem (i.e. it was a problem to be resolved between Islamabad and the Awami League) and consequently, there was no scope for either the UN to act or for India and Pakistan to have bilateral discussions that had been sought by Yahya in July and August. The Soviet Union again backed India at the UN.[104]

There were contacts between the Bangla Desh Government-in-Exile and the American consulate in Calcutta at various points during the crisis. It is not clear

if the Indians were aware of these contacts when they began at an informal level in May. In any event, in early September, the Indian government instructed the Bangla Desh Government-in-Exile to terminate all contacts with American officials. India publicly maintained that the crisis in South Asia could only be defused by talks between the Government of Pakistan and the Awami League. New Delhi's actions in early September to stop the Awami League from speaking to American officials, however, curtailed the possibility of indirect talks between Pakistan and the Awami League through the Americans.[105]

The pressure on Indian decision-makers to take action increased. By September, there were between 8 and 9 million refugees in India—a tremendous financial burden. Economic development funds were being diverted to refugee assistance programs and additional taxes were being levied on the Indian population. Commodities like fuel, sugar and rice had virtually doubled in price between July and August for the ordinary Indian. The refugees often were maintained at a higher level than the resident Indian peasant. The refugees also, quite often, were willing to do agricultural work for half the wages of resident Indians. Further complicating matters for the Indian government was a perceptible leftward shift in the leadership of the guerrilla movement. The potential for social unrest was great. Thus, the refugees posed problems that the Indian decision-makers would have to resolve in the not-too-distant future.[106]

Although the Indian government closely monitored and controlled the activities of the provisional Bangla Desh government and the *Mukti Bahini*, there

were some leftist groups outside of India's control. The Indian government wanted the Bangla Desh Government-in-Exile to stop its practice of excluding non-Awami Leaguers. Due to enormous pressure from New Delhi, the provisional Bangla Desh government agreed to the formation of a five-party committee (with leftist members) which would advise the provisional government. Indian decision-makers did not merely desire an independent Bangla Desh. It was important to New Delhi that whatever government came to power in Dhaka was moderate to keep the potential for trouble in north-east India to a minimum.[107]

The Indian army began to work more closely with the *Mukti Bahini* in late September. Reportedly, there were Indian and/or *Mukti Bahini* forces battling Pakistani forces in the Sylhet, Brahmanbaria, Chandpur, Tura-Mymensingh, Pachagarh-Rangpur, and Jessore districts. These Indian-*Mukti Bahini* operations began to take an increasing toll on the Pakistani army.[108]

There was a perception in Islamabad in September and October that the military situation in East Pakistan was considerably different than in the months before. Apart from the increased Indian-*Mukti Bahini* activity, Pakistani intelligence reported that General Manekshaw had received orders to prepare for military action in East Pakistan. Reportedly, Indian troop movements to the East Pakistani border became more pronounced in September. Thus, by early October, an escalation in the level of violence had occurred in the view of Pakistani leaders.[109]

Although the internal pressure on India to act was great because of the financial and social burden of the refugees, the Soviet Union was pursuing a policy of

detente with the United States. Thus, Moscow pressed India to give Islamabad a chance to negotiate with Mujib. This Soviet pressure led to the declaration by Indian Foreign Minister Swaran Singh on October 8 that India was not committed to any particular solution of the Bangla Desh Crisis so long as the elected representatives agreed to it.

Yahya missed the opportunity afforded him by the Soviet Union. The Pakistani army had started moving into forward positions on both borders before the end of September. From this point onward, the Pakistanis wanted to dramatize the threat of war in the hopes of stimulating intervention by the major powers (as occurred during previous Indo-Pakistani wars). Thus, after a television address on October 12 by Yahya calling for mutual troop withdrawals and UN intervention to defuse the tense situation, the Pakistani army rapidly completed movement to the borders. The Pakistani mobilization surprised Indian decision-makers but it allowed them to mobilize their forces without looking like the aggressor. According to India's timetable, its troops were to be mobilized a few weeks later. Indira Gandhi stated on October 14 that Swaran Singh had been misquoted when he was attributed to have said that India would accept a political solution "even within the framework of Pakistan."[110] Thus, India was able to circumvent the pressure from the USSR to stop the drift towards confrontation.

Throughout the rest of October, Yahya repeatedly attempted to bring about a mutual Indo-Pakistani withdrawal of troops from the border areas. On October 12, 15, 17, and 21, Yahya proposed a mutual troop withdrawal to the Indian government. On October

19, Prime Minister Gandhi, herself, rejected Yahya's proposals citing the fact that Indian bases (unlike Pakistani bases) were far from the border and it was Pakistan which had escalated the crisis.[111]

Tension along the Indo-Pakistani borders continued to escalate. On October 17, Islamabad announced East Pakistan was being shelled by medium guns instead of just the field guns and mortars to which the Indians had limited themselves in earlier incidents. On October 22, New Delhi began calling up its reservists. In an action described by an Indian spokesman as the "first of its kind," Indian troops moved to silence guns in the Kamalpur area on October 30-31. Between mid-October and the time open warfare broke out in December, there was an increasing number of complaints from both sides of alleged shellings, violations of air space and the construction of fortifications along the Kashmir cease-fire line.

As tensions increased, U Thant tried to get a role in the crisis for the UN. In identical memoranda sent on October 20 to Yahya, Gandhi and their ambassadors at the UN, U Thant took up Yahya's call for a mutual troop withdrawal and placed the facilities of the UN at their disposal. Yahya immediately welcomed U Thant's proposal to help defuse the crisis and expressed his hope that U Thant would be able to visit the subcontinent in the near future. On October 28, Prime Minister Gandhi rejected U Thant's proposal. Thus, the UN was unable to intervene.[112]

On October 22, Soviet Deputy Foreign Minister Nikolai Firyubin arrived in New Delhi for consultations. According to an official Indian source, by the time of Firyubin's departure on October 25, the two sides were

fully in accord with each other concerning the assessment of the situation. By this time New Delhi had concluded, correctly, that it could count on the "total support" of the USSR. In early November, special shipments of arms requested by India began to arrive by air. From this point onward, Moscow's position was one of broad support for India both publicly and privately up to and through the 1971 war.[113]

Indira Gandhi toured several major capitals between October 24 and November 13 to gain acceptance, if approval was not possible, for Indian policy on Bangla Desh. She tried to bring home to public opinion in the West the size of the refugee problem and the justice of India's case. Gandhi tried to demonstrate that the Indo-Soviet Treaty did not mean that relations between India and the West would have to be impeded. The Pakistani government was unable to fully counter the effects of this trip.[114]

The Indian prime minister, on her tour of major capitals, maintained that India would not meet with Pakistani representatives. She repeatedly stated that a resolution to the problem could only be found if Yahya were to negotiate with Sheikh Mujib and/or the Awami League. Thus, there was no scope for either UN action or Indo-Pakistani talks.[115]

Throughout her tour, Gandhi repeated the Indian line of why there should not be a mutual withdrawal of troops. First, she said the crisis in Pakistan's eastern wing was the doing of the Government of Pakistan. Second, Pakistan had mobilized first and India was defending itself because the Indians could not be sure of Pakistani intentions. Third, Gandhi pointed out that India had twice been attacked by Pakistan and once by

China. She would not permit India to be unprepared this time. Fourth, and finally, she stated that the Indian army would face great logistical problems in remobilizing (problems that Pakistan did not have) in case of an attack. Thus, Indian security concerns would not permit India to agree to mutual troop withdrawals from the borders.[116]

The Pakistanis again tried to gain military commitments from China in early November. Bhutto, who was thought to have a special relationship with the Chinese, headed a delegation to Beijing to ascertain the exact Chinese commitrnent to Pakistan and to engage the Chinese more deeply. The Pakistanis wanted a Chinese commitment to the "national unity" and "territorial integrity" of Pakistan. Although the Pakistani delegation was greeted by Chou En-lai, himself, the results were disappointing. No joint *communique* was issued at the end of the talks on November 7. Chinese Foreign Minister Chi Peng-fei reiterated the Chinese position of April 13 committing China to defend Pakistan's "state sovereignty" and "national independence."[117] This implied that the Chinese would only become involved if West Pakistan was threatened. The Pakistanis were left to put the best face on the situation. Bhutto said that there was no need for a joint *communique* because there was complete agreement.

It was widely expected that Indira Gandhi's return on November 13 from Europe and America would be the signal for all-out war to be waged on Pakistan. Upon her return, she signalled a "military solution according to plan." According to the Indian timetable, the all-out offensive on Dhaka was to begin on December 6. In the build-up to the invasion, after

November 21, India started to capture East Pakistani territory and hold on to it rather than withdraw. On November 24, an Indian spokesman stated that, if necessary, Indian forces would cross the border to stop Pakistan's offensive maneuvers. On November 29, the *Mukti Bahini* took Chaugacha and the provisional Bangla Desh government made plans to move there.[118]

In mid-November, Pakistan again tried to obtain UN intervention. On November 17, Pakistan and the UN announced that an agreement had been reached allowing relief workers freedom of access throughout East Pakistan. On November 18, it was announced that the Government of Pakistan had asked the Secretary-General to investigate the "false allegations" concerning the "continued movement of displaced persons into India." Islamabad's hope underlying these efforts was that as the situation moved closer to open warfare, the reluctance of the great powers to restrain India would be overcome.[119]

After November 21, the situation started getting out of hand for the Pakistanis. The Pakistani government declared a State of Emergency on November 23. On the same day, Yahya also sent a stream of letters to U Thant, the President of the Security Council, and various Heads of State and governments informing them of the situation along the borders. On November 29, Yahya wrote to U Thant proposing that UN observers be posted in East Pakistan to report on border violations. Both the Indian government and the provisional government of Bangla Desh condemned this as an attempt to protect Pakistan's military regime.[120]

At the end of November, the Pakistanis again tried to get a deeper commitment from China in case of war with India. On November 29, Beijing did release a

statement that the problems in East Pakistan were due to foreign aggression but it did not alter its commitment. On November 30, Yahya ordered the Karakoram highway closed to foreigners to give the impression that China was giving assistance. These events did not alter the Indian view that China would not help defend Pakistan if war broke out and several of India's Himalayan divisions were in a position to attack East Pakistan when war finally did break out in December.[121]

The Pakistani government tried to obtain an official military commitment from the US on December 2 to help Pakistan if attacked. Pakistani Ambassador to the US Raza delivered a letter from Yahya to Nixon invoking Article 1 of the 1959 bilateral agreement as the basis of US aid to Pakistan. The Pakistanis had previously approached the Americans informally about American assistance. With war rapidly approaching, the Pakistanis wanted to ascertain the exact level of American commitment. The US State Department pointed out that Article 1 spoke only of "appropriate action" (not specific commitments) subject to American constitutional procedures. The State Department further argued that the obligation was undertaken within a Middle East context intended to exclude an Indo-Pakistani war. Thus, the Pakistanis were not able to get the commitment they were seeking from the Americans.[122]

The actions of the Pakistani government in early December were based on the proposition that the eastern wing could only be defended by action in the West. This was Pakistan's established defensive strategy. On December 3, the Pakistani government reacted to the increasing pressure in the East by launching an air attack

from the western wing. The third Indo-Pakistani war was underway.[123]

CONCLUSION

The basic question to be asked about the use of microeconomic theory in the study of international relations is whether or not, by its application, more is known about the substantive issues within this particular field of political science. This study was designed to assess whether the behavior of Pakistan and India during the Bangla Desh Crisis was consistent with the behavior postulated for the two states by microeconomic theory. Ten hypotheses were tested. The behavior of Pakistan and India was consistent with nine of the hypotheses:

HYPOTHESIS 1: *A weaker crisis actor will attempt to contact the adversary to negotiate a peaceful resolution to a crisis.*

HYPOTHESIS 2: *A weaker crisis actor will attempt to secure UN intervention to defuse a crisis.*

HYPOTHESIS 3: *A weaker crisis actor will attempt to gain or reaffirm military commitments from the major powers.*

HYPOTHESIS 5: *A weaker crisis actor will attempt to maintain (or restore) the political, territorial, and economic* status quo ante. *(This hypothesis was supported in part by Pakistani behavior during the Bangla Desh Crisis).*

HYPOTHESIS 6: *A stronger crisis actor will attempt to avoid any contact with the adversary which might lead to a peaceful resolution of a crisis.*

HYPOTHESIS 7: *A stronger crisis actor will attempt to block or circumvent UN intervention to defuse a crisis.*

HYPOTHESIS 8: *A stronger crisis actor will not attempt to gain or reaffirm military commitments from the major powers.*

HYPOTHESIS 9: *A stronger crisis actor will mobilize its military forces.*

HYPOTHESIS 10: *A stronger crisis actor will attempt to change the international system until the expected costs of further political, territorial, and/or economic expansion are equal to or greater than the expected benefits.*

Thus, the results of this study suggest that knowledge about at least one aspect of international relations—specifically, foreign policy crises—can be broadened through the use of microeconomic theory. This illustrates the strength of microeconomic theory.

The weakness of microeconomic theory is illustrated by the one hypothesis that is not supported in this study—HYPOTHESIS 4: *A weaker crisis actor will not mobilize its military forces*. In order to understand why Pakistani decision-makers did not behave as expected, the perceptions of Pakistani decision-makers have to be taken into account. There was a perception among them that the international community would intervene if war was to break out on the subcontinent. In order to play up the threat of war, the Pakistanis mobilized their forces in the hopes of invoking major power intervention even before an actual war broke out. Given their perception of the situation, the Pakistanis were acting rationally.

The term "rational" denotes behavior in a given situation that is appropriate to the specified objectives. If the background characteristics of the decision-makers are

ignored, then it is possible to speak of an "objective" rationality—that is, behavior that can be judged objectively to be optimally adapted to the situation. On the other hand, if the background characteristics, the limitations of knowledge, and the calculating abilities of the decision-makers are taken into account, then it might be the case that decision-makers are incapable of making objectively optimal choices. This can be termed "bounded" rationality, that is, behavior that is adaptive within the constraints imposed both by the capacities of the decision-makers and the external situation.

There is a fundamental difference between "objective" and "bounded" rationality. To deduce the "objective" rational choice in a given situation, it is necessary to know only the decision-makers' goals and the objective characteristics of the situation. To deduce the "bounded" rational choice in a given situation, it is necessary to know the decision-makers' goals, their conceptualization of the situation, and their ability to draw inferences from the information they possess. Within the framework of "bounded" rationality, the mere assumption of rationality provides little basis for the prediction of behavior. The rationality assumption must be supplemented by considerable empirical knowledge about the decision-makers in order to predict behavior.[124]

Microeconomic theory is based on "objective" rationality. Thus, there is no room for perception or misperception within their framework. That is why the expectation that Pakistan would not mobilize its troops proved to be incorrect.

In concluding, it should be noted that lack of reliable information and knowledge is an important

factor in almost all real-life decision-making. Wherever such uncertainties are present, there is an enhanced opportunity for unconscious, or only partly conscious, wishes and drives to influence policy. Decision-makers are, at best, rational in terms of what they are aware of, and they can be aware of only small, disjointed facets of reality.[125] *Homo Psychologicus*, however, has nothing even remotely comparable to the well-developed apparatus for rational decision-making of *Homo Economicus*.[126] Until *Homo Psychologicus* is fleshed out by further research, this and other studies[127] suggest that *Homo Economicus* can serve as an extremely valuable, although not perfect, guide in the analysis of foreign policy crisis decision-making.

ENDNOTES

[1]For example, see A.F.K. Organski and Jacek Kugler, The War Ledger, (Chicago, IL: University of Chicago, Press, 1980), pp. 37-38.

[2]Bruce M. Russett, (ed.), Economic Theories of International Politics, (Chicago, IL: Markham, 1968), pp. 3-4; and J. David Singer, (ed.), Human Behavior and International Politics: Contributions From the Social Psychological Sciences, (Chicago, IL: Rand McNally, 1965), pp.4-5.

[3]There are two reasons for the choice of these five decisions. First, these decisions are perceived to be among the most important by the decision-makers themselves.(See the following International Crisis Behaviour (ICB) Project case studies: Brecher with Geist op. cit., pp. 379-398; Alan Dowty, Middle East Crisis: US Decision-Making in 1958, 1970, and 1973, (Berkeley, CA: University of California Press, 1984), pp. 356-361; Karen Dawisha, The Kremlin and the Prague Spring, (Berkeley, CA: University of California Press, 1984), pp. 93-316; Geoffrey Jukes, Hitler's Stalingrad Decisions, (Berkeley, CA: University of California Press, 1985), pp. 95-147; and Avi Shlaim, The United States and the Berlin Blockade: A Study in Crisis Decision-Making, (Berkeley, CA: University of California, 1983), pp. 173-280) Second, all leaders in crisis situations have an opportunity to make these decisions regardless of whether or not they make them. For example, a state's leaders might try to contact the adversary to negotiate a peaceful resolution or these leaders might choose not to do so.

[4]Michael Brecher and Patrick James, Crisis and Change in World Politics, (Boulder, CO: Westview, 1986), pp.31-34, 117-129; and Richard Sisson and Leo Rose, War and Secession: Pakistan, India, and the Creation of Bangladesh, (Berkeley, CA: University of California Press, 1990), p. 1.

[5]For a detailed discussion of the similarities between economic markets and international political systems, see Kenneth Waltz, Theory Of International Politics, (Reading, MA: Addison-Wesley, 1979), pp. 79-99.

[6]Ibid., pp. 93-94.

[7]Ibid., pp. 96-97; and Richard G. Lipsey, Douglas D.Purvis and Peter O. Steiner, Economics , 5th ed., (New York: Harper and Row, 1985), p. 184; and Roger LeRoy Miller and Roger E. Meiners, Intermediate Microeconomics: Theory, Issues, and Applications, (New York: McGraw-Hill, 1986), p. 315.

[8]Waltz, op. cit., pp. 81-89.

[9]In this study, crisis is examined at the state level. A crisis that is viewed from the perspective of an individual state is a foreign policy crisis. This can be differentiated from an international crisis in which crisis is viewed from the international system perspective. (See: Michael Brecher, Jonathan Wilkenfeld and Sheila Moser, Crises in the Twentieth Century, volume 1: Handbook of International Crises; volume 2: Handbook of Foreign Policy Crises; (Oxford: Pergamon, 1988), 1: 3) In this study, the foreign policy crisis perspective is used because it is the state that, within systemic constraints, makes decisions in crisis situations.

[10]Waltz, pp. 109-110; and Lipsey et al., op. cit., pp. 461-462.

[11]Lipsey et al., op. cit., p. 32; Miller and Meiners, op. cit., p. 234; and Donald N. McCloskey, The Applied Theory of Price, (New York: Macmillan, 1982), pp. 237-242.

[12]Waltz, op. cit., pp. 105-106.

[13]The type of oligopoly being discussed is a differentiated one. In a differentiated oligopoly, similar but not identical products are sold. This is distinguished from a pure oligopoly where identical products are sold. Source: Edwin Mansfield, Economics: Principles/Problems/Decisions, 6th ed., (New York: W.W. Norton, 1989), p. 57.

[14]Lipsey et al., op. cit., p. 228; Miller and Meiners, op. cit., pp. 434-443; and McCloskey, op. cit., p. 422.

[15]Waltz, op. cit., p. 102; Bruce M. Russett, "Markets and International Systems" in Russett, op. cit., pp. 133-135; and Patrick James, Crisis and War, (Montreal: McGill-Queen's University Press, 1988), pp. 69-71.

[16]Brecher et al., op. cit., 1: 15. This definition can be compared with two other widely used indices of capability—that of: David Singer and his associates in the Correlates of War (COW) Project; and A.F.K. Organski.

The COW Project measures the overall capability of a nation through three major variables: industrial capability (measured by energy consumption and iron and steel production); military capability (measured by military expenditures and the number of men under arms); and demographic capability (measured by total population and the number of inhabitants in cities of 20,000 or more). The value of each indicator is added up for each state in the system deemed to be critical and a percentage share of the total is apportioned to each state. (See: J. David Singer, Stuart Bremer and John Stuckey, "Capability, Distribution, Uncertainty, and Major Power War, 1820-1965," in Russett, Peace, War, and Numbers, op. cit., pp. 25-26; and Bruce Bueno de Mesquita, The War Trap, (New Haven, CT: Yale University Press, 1981), pp. 102-103) The ICB definition of capability is viewed as superior to that of the COW Project because of two glaring omissions in the latter. The COW Project does not measure either geography or nuclear capability. It is true that COW measures certain indicators of capability that ICB overlooks. However, ICB uses indicators—notably GNP, military expenditures, and population—which measure, in part, each of the major variables of the COW Project. Furthermore, as will be discussed in greater detail below, GNP has an extremely high correlation with the overall COW index of capability. It is likely, therefore, that any data measured by COW also is reflected, in large part, in the ICB's measurements.

Some scholars, among them Organski, postulate that complex indices are not necessary to measure a state's capability. Organski and his associates argue that GNP reflects the level of technology, capital intensity, education, external security, and other measures of power capability available to a society. Using the same countries for the same years as the COW Project, Organski and his associates report that GNP and the COW index are highly correlated with a coefficient of determination of 0.86.(See: Organski and Kugler, op. cit., pp. 37-38)

The major drawback with Organski's method is the problem associated with a single indicator. If several indicators are used, any aberrations on one indicator can be modified by scores on the others. Although Organski obtained a very high correlation of the COW index with GNP, there are large discrepancies when each measure of the percentage share held by the great powers are examined on an individual basis. The differences between the two measures, furthermore, become considerably larger when

the ratios of the composite capability scores and GNP are compared. These are the numbers (of the balance of power) that would be used in determining the relative capability of states.(See Moul, "Balance of Power and the Escalation to War of Serious Disputes Among the European Great Powers, 1815-1939: Some Evidence," American Journal of Political Science 32 (February 1988): 246, 246 Fn. 5) It is for these reasons that the ICB definition of capability, which incorporates GNP as a very important indicator of capability but also uses several other indicators, is being used in this study.

[17]As noted in the previous footnote, GNP is closely correlated with technology, capital intensity, education, external security, and other measures of a society's development.

[18]Mansfield, op. cit., p. 525; Lipsey et al., op. cit., p. 236; McCloskey, op. cit., p. 410; Geroski, P.A., L. Phlips and A. Ulph, Oligopoly, Competition and Welfare, (Oxford: Basil Blackwell, 1985), pp. 1-8; Nicholson, Michael, Oligopoly and Conflict: A Dynamic Approach, (Toronto: University of Toronto Press, 1972), pp. 1-3; and Sherman, Roger, Oligopoly: An Empirical Approach, (Lexington, MA: D.C. Heath, 1972), p. 1.

[19]Lipsey et al., op. cit., pp. 236-237, 236 Fn.; Miller and Meiners, op. cit., p. 460; McCloskey, op. cit., pp. 443-448; and Mansfield, op. cit., pp. 525-526.

[20]Lipsey et al., op. cit., pp. 146-150, 160, 185 and 188; Miller and Meiners, op. cit., pp. 319-322; and McCloskey, op. cit., pp. 156-157.

[21]Lipsey et al., op. cit., pp. 157-162, 185; Miller and Meiners, op. cit., pp.322-325; and McCloskey, op. cit., pp. 242-244.

[22]It is future expectations which determine whether a firm will enter a market or escalate competition with its adversaries. Future expectations also affect state behavior in crises. See Bueno de Mesquita, op. cit., Chapter 3.

[23]For one attempt to operationalize marginal costs and gains in war, see: Bruce Bueno de Mesquita, "The Costs of War: A Rational Expectations Approach," American Political Science Review 77 (June 1983): 347-357.

[24]The use of microeconomic theory to determine the point at which a state will stop trying to change the international system is based on an assumption used by Gilpin in his study of major power cycles in the international political economy; see Robert Gilpin, Crisis and Change in World Politics, (Cambridge: Cambridge University Press, 1981), pp. 106-110.

[25]Waltz, op. cit., pp. 117-118; and Bueno de Mesquita, The War Trap, op. cit., pp. 27-29. Graham T. Allison's research gives excellent accounts of why the unitary actor assumption is not in line with reality.(See: Graham T. Allison, "Conceptual Models and the Cuban Missile Crisis," American Political Science Review 63 (September 1969): 689-718; and Graham T. Allison, The Essence of Decision, (Boston, MA: Little-Brown, 1971).

[26]Waltz, op. cit., pp. 117-118; and Russett, Economic Theories of International Politics, op. cit., pp. 261-262.

[27]Waltz, op. cit., pp. 117-118; and Hans Morgenthau, Politics Among Nations: The Struggle for Power and Peace, 5th ed., (New York: Alfred A. Knopf, 1973), p. 5.

[28]This essay is not an attempt to emulate an ICB case study. Rather the ICB case study methodology is being dissected and the part that is most useful for a comparative study (such as this one) is being utilized. For a more detailed discussion on the decision flow, see Michael Brecher with Benjamin Geist, Decisions in Crisis: Israel, 1967 and 1973, (Berkeley, CA: University of California Press, 1980), p. 29.

[29]Brecher later clarifies the meaning of the third condition of a crisis—a high probability of war. Theoretically, it is possible to perceive the probability of war as ranging from .001 to .999. It is possible, however, that a marked change (for example, from .1 to .3) in the probability of war might be just as salient as a move into the high probability range to decision-makers. This is especially so in those cases where a protracted conflict predisposes decision-makers to an expectation of crisis. What is crucial for the existence of a foreign policy crisis is the perception of a high—or substantial rise in—likelihood of war. Source: Brecher with Geist, op. cit., p. 5.

[30]It is possible that a situation might arise in which there is a perception of crisis among the senior decision-makers of a state on one side but no such perception exists among that state's adversary(ies). A case where the decision-makers of only one state perceived a crisis situation is the Aegen Sea crisis for Greece between August 7 and September 25, 1976. A crisis for Greece was set off on August 7 when Greece learned that a Turkish research ship had entered an area claimed by the Greeks (Turkey did not recognize Greece's claims). Greece filed a complaint with Turkey; a complaint also was registered with the Security Council; and an appeal was made to the International Court of Justice. On August 12, Greece declared a state of alert for all its troops along the Greek-Turkish border. Almost the entire Greek airforce was moved to advance bases. The Greek navy also began patrolling the eastern Aegen. The research ship stayed in the area until September 25. The Turkish decision-makers did not perceive a crisis situation and did not respond in any substantive manner to the Greek actions. Source: Brecher et al., op. cit., 1: 318.

[31]Brecher with Geist, op. cit., pp. 23-25. This definition can be compared to the most widely accepted definition of crisis from the state perspective—that of Charles F. Hermann. A foreign policy crisis, according to Hermann, is a situation that: 1)threatens high-priority goals; 2)leaves a short time for response; and 3)surprises members of the decision-making body.(See: Charles F. Hermann, Crisis in Foreign Policy: A Simulation Analysis, (Indianapolis, IN: Bobbs-Merrill, 1969), p.414)

Brecher's definition is considered superior for several reasons. First, decision-makers often are not surprised by situational changes—e.g., the building of the Berlin Wall did not surprise US decision-makers; the closing of the Straits of Tiran did not surprise Israeli decision-makers—but crisis situations have developed afterwards. Further research led Hermann to conclude that surprise was not a necessary condition for crisis. Second, Brecher's use of finite time for response is more valid than short time; some crises have lasted several months (e.g., the Berlin Wall, Bangla Desh, etc.). The time for response cannot be delayed indefinitely but it does not have to be short. Third, Brecher's definition allows foreign policy crises to originate from within the domestic environment of a crisis actor.(Brecher with Geist, op. cit., pp. 1-5) In sum, Brecher's definition appears to be more valid and reliable. Thus, it is being utilized in this study.

[32]James, op. cit., pp. 39-70.

[33]Waltz, op. cit. p. 6.

[34]For more detailed information on the capability of Pakistan and India, please consult ICB datasets available from McGill University, the University of Maryland, and the Inter-University Consortium for Political and Social Research.

[35]Edward S. Mason, Robert Dorfman and Stephen A. Marglin, "Conflict in East Pakistan: Background and Prospects," 1: 12-15; and "Why Bangla Desh?," 1: 15-20, in Sheelendra K. Singh et al., (Eds.), The Bangla Desh Documents, 2 volumes, (Delhi: The Ministry of Information and Broadcasting of the Government of India, 1971-72).

[36]Ministry of Information and National Affairs, Government of Pakistan, White Paper on the Crisis in East Pakistan, August 5, 1971, Appendix 'C.'

[37]Nicole Ball, Regional Conflicts and the International System: A Case Study of Bangladesh, (Sussex: Institute for the Study of International Organization, 1974), p.4; and Kalim Siddiqui, Conflict, Crisis, and War in Pakistan, (London: Macmillan, 1972), p. 137.

[38]Siddiqui, op. cit., pp. 117-124.

[39]White Paper on the Crisis on East Pakistan, op. cit. Appendix 'B,' p. 24.

[40]Ibid., Appendix 'B.'

[41]Sisson and Rose, op. cit., pp. 54-55; Mascarenhas, op. cit., Chapters 5 and 6; and G.W. Choudhury, The Last Days of United Pakistan, (Bloomington, IN: Indiana University Press, 1974), pp. 90-104.

[42]Anthony Mascarenhas, The Rape of Bangla Desh, (Delhi: Vikas, 1971), pp. 61-62.

[43]Jackson, South Asian Crisis, (London: Chatto and Windus, 1975), pp. 21-31, 147; and Sisson and Rose, op. cit., p. 63.

[44]Choudhury, op. cit., Chapters 4, 5, 6, and 7.

[45]Sisson and Rose, op. cit., pp. 58-59, 125-133.

[46]Ibid., pp. 58-59, 64.

[47]Choudhury, op. cit., p. 145.

[48]Sisson and Rose, op. cit., p. 63.

[49]Pakistan was governed under the collective leadership of the "inner cabinet" of a military government. Although there was also an "outer cabinet," almost all the major decisions were made by the "inner cabinet."

Inner Cabinet

·General Agha Mohammed Yahya Khan—Commander-in-Chief; Chief Martial Law Administrator; and President. He also held the portfolios of Foreign Affairs and Defence.

·Lieutenant-General S.G.M.M. Pirzada—Principal Staff Officer to the President. It was through Pirzada that the parallel civil and military administration flowed to the President.

·Major General Umar—Chairman of the National Security Council. Umar presided over the civil and military intelligence services.

-General Abdul Hamid Khan—Chief of Army Staff. He was the number two man in the army after Yahya. He also was in charge of the Home Ministry.

-Lieutenant-General Tikka Khan—Governor of East Pakistan and later the Corps Commander in the Chamb-Sialkot district.

-Lieutenant-General Gul Hasan—Chief of the General Staff.

-Major General Akbar Khan—Head of Inter-Services Intelligence.

Outer Cabinet

-The Martial Law Administrators of the five provinces.

-Air Marshal Rahim Khan—Commander-in-Chief of the Air Force and Governor of West Pakistan.

Sources: Choudhury, op. cit., pp. 50-81. (G.W. Choudhury was a member of Yahya's civilian cabinet. After it was disbanded in February 1971, Choudhury kept in personal contact with members of the military government. Thus, he has inside knowledge about how the decision-making process operated in Pakistan during the Bangla Desh Crisis.); Jackson, op. cit., pp. 25-26; Mascarenhas, op. cit., pp. 83-84.

[50]Sisson and Rose, op. cit., pp. 65-66.

[51]Ibid., pp. 65-66.

[52]Choudhury, op. cit., pp. 149-152; and Sisson and Rose, op. cit., pp. 65-66.

[53]Ayoob and Subrahmanyam, The Liberation War, (New Delhi: S. Chand, 1972), p. 104; Mascarenhas, op. cit., pp. 69-74; Sisson and Rose, op. cit., p. 19; and Choudhury, op. cit., p 155.

[54]Sisson and Rose, op. cit., p. 77.

[55]Ibid., pp. 74-80.

[56]Ibid., pp. 81-85, 109; and Jackson, op. cit., p. 28.

[57]Sisson and Rose, op. cit., pp. 91-95.

[58]Jackson, op. cit., pp.28-29; and Mascarenhas, op. cit., pp. 90-110.

[59]Sisson and Rose, op. cit., p. 109; and Jackson, op. cit., p. 29.

[60]This was one of four conditions given by Mujib for participation in the National Assembly. Source: Dawn, Karachi, March 8, 1971.

[61]Mascarenhas, op. cit., pp. 101-102.

[62]Mascarenhas, op. cit., pp. 108-112.

[63]Choudhury, op. cit., p. 171.

[64]White Paper on the Crisis in East Pakistan, op. cit., Chapter 3. A copy of the Awami League draft proclamation is found in: White Paper on the Crisis in East Pakistan, op. cit., Appendix 'E.'

[65]Sisson and Rose, op. cit., pp. 122-123, 132-133.

[66]Ayoob and Subrahmanyam, op. cit., pp. 112-113; and Mascarenhas, op. cit., pp. 108-120.

[67]Jackson, op. cit., pp. 40, 55-56.

[68]Sisson and Rose, op. cit., pp. 142-162.

[69]Pakistan Horizon 24 (Second Quarter, 1971): 154.

[70]Sisson and Rose, op. cit., pp. 199, 203, 303 Fn. 44.

[71]Ibid., pp. 250-251.

[72]Ibid., pp. 158-160, 210-213.

[73]Pakistan Horizon 24 (Second Quarter, 1971): 140; and Jackson, op. cit., p. 38.

[74]Pakistan Horizon 24 (Second Quarter, 1971): 141.

[75]Jackson, op. cit., pp. 39-43; and Singh et al., op. cit., 1: 446.

[76]A small and homogenous coterie around Mrs. Gandhi was the core group in the decision-making process in India during the Bangla Desh Crisis. The final source of authority was Mrs. Gandhi. She depended extensively on: her private secretariat (until July 1971 this was headed by P.N. Haksar and thereafter by P.N. Dhar); and a few other secretaries (G. Ramchandra, M. Malhotra, Sharada Prasad, and B.N. Tandon). The Prime minister met almost daily with this group (which was sometimes supplemented by D.P. Dhar, Head of Policy Planning in the Ministry of External Affairs, and G. Parthasarathy, a former ambassador to China and close confidante of Mrs. Gandhi).

There were several groups that Mrs Gandhi consulted, from time to time, during the Bangla Desh Crisis. The Political Affairs Committee (P.A.C.) of the Cabinet was composed of several key cabinet ministers: Foreign Minister Swaran Singh, Defence Minister Jagjivan Ram, and Finance Minister Y.B. Chavan. Key Indian Administrative Service (I.A.S.) officials made up another group that Mrs. Gandhi consulted from time to time. This group included V.V. Swaminathan (Cabinet Secretary), P.N. Haksar and, later, P.N. Dhar (Prime Minister's Secretary), K.B. Lal (Defence Secretary), I.G. Patel (Economic Affairs Secretary), and T. N. Kaul (Foreign Secretary). Mrs. Gandhi consulted other top bureaucrats. One or all of the military service chiefs occasionally would be invited to participate in the proceedings of the P.A.C. (usually when military matters were being discussed). The Chairman of the Chiefs of Staff Committee, General Manekshaw, also had informal contacts with the Prime minister, her secretariat, and D.P. Dhar. The service chiefs, however, had to depend on Defence Minister Ram the most to express their views to the other senior decision-makers. Given Ram's own strong views, he was not always considered a reliable channel by the military. The Joint Intelligence Committee also made some inputs into the decision-making process.

Source: Sisson and Rose, op. cit., pp. 137-141.

[77]Pran Chopra, India's Second Liberation, (Delhi: Vikas, 1973), p. 78; and Sukhwant Singh, The Liberation of Bangla Desh, (New Delhi: Vikas, 1980), pp. 16-29.

[78]Jackson, op. cit., pp. 146-147.

[79]Ayoob and Subrahmanyam, op. cit., pp. 112-113; and Chopra, op. cit., p. 94.

[80]Sisson and Rose, op. cit., pp. 151-152.

[81]Ibid., pp. 163-165.

[82]Jackson, op. cit., p. 62.

[83]Singh et al., op. cit., 1: 673-675.

[84]Sisson and Rose, op. cit., p. 187.

[85]Jackson, op. cit., pp. 51-61.

[86]Ibid., p. 65.

[87]Jackson, op. cit., p. 65; and Sisson and Rose, op. cit., pp. 199-200, 203.

[88]Sisson and Rose, op. cit., p. 188; Singh et al., op. cit., 1: 446; and Chopra, op. cit., pp. 81-94.

[89]Sisson and Rose, op. cit., p. 206.

[90]Ibid., p. 206.

[91]Ibid., pp. 206-207.

[92]Ibid., pp. 210-217; and Chopra, op. cit., pp. 96-101, 146-147.

[93]Jackson, op. cit., p. 66, citing Financial Times, London, July 18, 1971.

[94]Jackson, op. cit., pp. 66, 73, 82, 82 Fn. 153.

[95]Singh et al., op. cit., 1: 660-663; and Jackson, op. cit., pp. 67-68.

[96]Jackson, op. cit., pp. 68-69.

[97]Sisson and Rose, op. cit., pp. 197-198.

[98]Ibid., p. 198-199, 303 Fn. 44.

[99]Ibid., p. 242.

[100]Ibid., pp. 200-201.

[101]Jackson, op. cit., p. 73.

[102]Ibid., pp.73-74.

[103]Pakistan Times, Lahore, August 16, 1971; and Jackson, op. cit., p. 73-74.

[104]Jackson, op. cit., p. 82.

[105]Sisson and Rose, op. cit., pp. 193-194; and Henry Kissinger, White House Years, (Boston, MA: Little-Brown, 1979), pp. 871-872.

[106]Ball, op. cit., pp. 28-30.

[107]Sisson and Rose, op. cit., pp. 177-186.

[108]Ibid., p. 308 Fn. 12.

[109]Ibid., p. 225.

[110]Ibid., pp. 202-227; and Jackson, op. cit., p. 188.

[111]Jackson, op. cit., p. 90.

[112]Ibid., p. 91.

[113]Sisson and Rose, op. cit., p. 202.

[114]Ibid., p. 194; and Kissinger, op. cit., pp. 871-872.

[115]Kissinger, op. cit., pp. 869-873.

[116]Jackson, op. cit., pp. 79-82.

[117]Ayoob and Subrahmanyan, op. cit., pp. 113-133, 167-170.

[118]Sisson and Rose, op. cit., pp. 213-214; and Jackson, op. cit., pp. 94-102.

[119]Ibid., p.100.

[120]Ibid., pp. 103-104.

[121]Ibid., pp. 94-96.

[122]Kissinger, op. cit., pp. 894-895.

[123]Sisson and Rose, op. cit., pp. 227-230.

[124]Herbert Simon, "Human Nature in Politics: The Dialogue of Psychology with Political Science," in American Political Science Review 79 (June 1985): 294-295.

[125]Ibid., p. 302.

[126]Charles A.Powell, James W. Dyson and Helen E. Purkitt, "Opening the 'Black Box:' Cognitive Processing and Optimal Choice in Foreign Policy Decision Making," in Charles F. Hermann, Charles W. Kegley, and James N. Rosenau. (Eds.), New Directions in the Study of Foreign Policy, (Boston, MA: Allen and Unwin, 1987), p. 214.

[127]Bueno de Mesquita, The War Trap, op. cit.; and James, op. cit..

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PERIODICALS—VARIOUS ISSUES OF:

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A SURVEY OF THE NATURAL RATE OF UNEMPLOYMENT

Steven Goodinson
Jonah Frohlich

An important contribution to the theory of unemployment was made by Milton Friedman in the late 1960s. He proposed that a natural rate of unemployment resulted from complex forces underlying the economy and was relatively stable over time. The concept is a firm part of modern economics but there is controversy surrounding its definition, relevance, and attributes. This paper is an overview of the contributions to the theory of the natural rate of unemployment and finds that although the theory seems appealing, many attempts to define and measure the natural rate have failed, and thus it should be discarded.