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Report R40087

*Terrorist Attacks in Mumbai, India, and Implications for  
U.S. Interests*

K. Alan Kronstadt, Specialist in South Asian Affairs

December 19, 2009

**Abstract.** Potential issues for the 111th Congress with regard to India include legislation that would foster greater U.S.-India counterterrorism relations. With regard to Pakistan, congressional attention has focused and is likely to remain focused on the programming and potential further conditioning of U.S. foreign assistance, including that related to security and counterterrorism. Also, major U.S. arms sales to both countries are likely to be proposed, and these would require the (implicit) endorsement of Congress. This report reviews the most recent major incidence of terrorism in India and its possible connection to elements inside Pakistan. It then considers some implications for both countries, as well as for U.S. interests.

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# Terrorist Attacks in Mumbai, India, and Implications for U.S. Interests

**K. Alan Kronstadt**  
Specialist in South Asian Affairs

December 19, 2008

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## Summary

On the evening of November 26, 2008, a number of well-trained militants came ashore from the Arabian Sea on small boats and attacked numerous high-profile targets in Mumbai, India, with automatic weapons and explosives. By the time the episode ended some 62 hours later, about 165 people, along with nine terrorists, had been killed and hundreds more injured. Among the multiple sites attacked in the peninsular city known as India's business and entertainment capital were two luxury hotels—the Taj Mahal Palace and the Oberoi-Trident—along with the main railway terminal, a Jewish cultural center, a café frequented by foreigners, a cinema house, and two hospitals. Six American citizens were among the 26 foreigners reported dead. Indian officials have concluded that the attackers numbered only ten, one of whom was captured.

The investigation into the attacks is still in preliminary stages, but press reporting and statements from U.S. and Indian authorities strongly suggest that the attackers came to India from neighboring Pakistan and that the perpetrators likely were members and acting under the orchestration of the Pakistan-based Lashkar-e-Taiba (LeT) terrorist group. The LeT is believed to have past links with Pakistan's military and intelligence services. By some accounts, these links are ongoing, leading to suspicions, but no known evidence, of involvement in the attack by Pakistani state elements. The Islamabad government has strongly condemned the Mumbai terrorism and offered New Delhi its full cooperation with the ongoing investigation, but mutual acrimony clouds such an effort, and the attacks have brought into question the viability of a nearly five-year-old bilateral peace process between India and Pakistan.

Three wars—in 1947-48, 1965, and 1971—and a constant state of military preparedness on both sides of the border have marked six decades of bitter rivalry between India and Pakistan. Such bilateral discord between two nuclear-armed countries thus has major implications for regional security and for U.S. interests. The Administration of President-elect Barack Obama may seek to increase U.S. diplomatic efforts aimed at resolving conflict between these two countries. The Mumbai attacks have brought even more intense international attention to the increasingly deadly and destabilizing incidence of Islamist extremism in South Asia, and they may affect the course of U.S. policy toward Pakistan, especially. The episode also has major domestic implications for India, in both the political and security realms. Indian counterterrorism capabilities have come under intense scrutiny, and the United States may further expand bilateral cooperation with and assistance to India in this realm. For broader discussion, see CRS Report RL33529, *India-U.S. Relations*, and CRS Report RL33498, *Pakistan-U.S. Relations*. This report will not be updated.

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## Introduction

An audacious, days-long November terrorist attack on India's most populous city, Mumbai, has deeply affected the Indian people and their government. Because the attackers appear to have come from, and received training and equipment in, neighboring Pakistan, the episode has led to renewed tensions between two nuclear-armed South Asian states with a history of war and mutual animosity. Seemingly incompatible national identities contributed both to several wars and to the nuclearization of the Asian Subcontinent, with the nuclear weapons capabilities of both countries becoming overt in 1998. In 2004, New Delhi and Islamabad launched their most recent comprehensive effort to reduce tensions and resolve outstanding disputes, an effort that has to date resulted in modest, but still meaningful successes. New Delhi acknowledges that a stable Pakistan is in India's interests. At the same time, however, Indian leaders are convinced that Pakistan has long been and remains the main source India's significant domestic terrorism problems. They continue to blame Islamabad for maintaining an "infrastructure of terror" that launches attacks inside India.

A central aspect of U.S. policy in South Asia is prevention of interstate conflict that could destabilize the region and lead to nuclear war. Since 2001, the United States has also been directly engaged in efforts foster stability in Afghanistan. Many analysts view this goal as being intimately linked with the India-Pakistan peace process. The Administration of President George W. Bush made Pakistan a key ally in the global "war on terrorism" while simultaneously deepening a "strategic partnership" with India. The Administration of President-elect Barack Obama may seek to increase U.S. diplomatic efforts aimed at resolving conflict between these two countries.

Potential issues for the 111<sup>th</sup> Congress with regard to India include legislation that would foster greater U.S.-India counterterrorism relations. With regard to Pakistan, congressional attention has focused and is likely to remain focused on the programming and potential further conditioning of U.S. foreign assistance, including that related to security and counterterrorism. Also, major U.S. arms sales to both countries are likely to be proposed, and these would require the (implicit) endorsement of Congress. This report reviews the most recent major incidence of terrorism in India and its possible connection to elements inside Pakistan. It then considers some implications for both countries, as well as for U.S. interests.

## Attack Overview

At approximately 9:30 p.m. local time on the evening of November 26, 2008, a number of well-trained militants came ashore from the Arabian Sea on small boats and attacked numerous high-profile targets in Mumbai, India, with automatic weapons and explosives. By the time the episode ended some 62 hours later, about 174 people, including nine terrorists, had been killed and hundreds more injured. Among the multiple sites attacked in the peninsular city known as India's business and entertainment capital were two luxury hotels—the Taj Mahal Palace and the Oberoi-Trident—along with the main railway terminal, a Jewish cultural center, a café frequented by foreigners, a cinema house, and two hospitals.<sup>1</sup> Six American citizens were among the 26

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<sup>1</sup> Two detailed descriptions of the incident are "In Just Minutes, Mumbai Was Under Siege," *Washington Post*, and "India Security Faulted as Survivors Tell of Terror," *Wall Street Journal*, both December 1, 2008.

foreigners reported dead. Indian officials have concluded that the attackers numbered only ten, one of whom was captured. Some reports indicate that several other gunmen escaped.<sup>2</sup>

According to reports, the militants arrived in Mumbai from sea on dinghies launched from a larger ship offshore, then fanned out in southern Mumbai in groups of two or three.<sup>3</sup> Each was carrying an assault rifle with 10-12 extra magazines of ammunition, a pistol, several hand grenades, and about 18 pounds of military-grade explosives. They also employed sophisticated technology including global positioning system handsets, satellite phones, Voice over Internet Protocol (VoIP) phone service, and high-resolution satellite photos of the targets. The attackers were said to have demonstrated a keen familiarity with the Taj hotel's layout in particular, suggesting that careful advanced planning had been undertaken.

Home Minister Shivraj Patil (who resigned in the wake of the attacks) reportedly ordered India's elite National Security Guard commandos deployed 90 minutes after the attacks began, but the mobilized units did not arrive on the scene until the next morning, some ten hours after the initial shooting. The delay likely handed a tactical advantage to the militants.<sup>4</sup> According to a high-ranking Mumbai police official, the militants made no demands and had killed most of their hostages before being engaged by commandos on the morning of November 27.<sup>5</sup> Two full days passed between the time of that engagement and the episode's conclusion when the two hotels were declared cleared of the several remaining gunmen.

Indian Prime Minister Manmohan Singh apologized to the Indian people on behalf of his government for being unable to prevent the attacks. He said his government will pursue a three-level response to include (1) seeking to galvanize the international community to deal sternly with what Singh labeled the "epicenter of terrorism, which is located in Pakistan;" (2) taking a strong posture toward the Islamabad government in pressing it to end the use of Pakistani territory for staging terrorist attacks, and (3) recognizing that self-help measures to improve India's own domestic security are required.<sup>6</sup> On December 11, the country's new home minister, P. Chidambaram, announced major reform efforts for the country's security infrastructure to include the establishment of a new national investigative agency, a new Coastal Command, 20 new counterterrorism schools, and new regional commando bases.<sup>7</sup> The Indian Parliament passed a series of stringent new anti-terrorism laws on December 17 (see below).

## U.S. Response

Senior U.S. officials, including President Bush and President-elect Obama, joined the State Department in issuing immediate statements of support for and condolences to the Indian

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<sup>2</sup> "Mumbai Attacks - City Fears Five Terrorists are 'Missing,'" *London Times*, December 2, 2008.

<sup>3</sup> The Indian fishing vessel *Kuber* reportedly was hijacked by Pakistan-based terrorists in the Arabian Sea some two weeks before the attacks and its five-man crew executed ("Authorities Trace Final Voyage of the Kuber," *Wall Street Journal*, December 2, 2008).

<sup>4</sup> "India to Restructure Security Services After Mumbai Failings," *Jane's Defense Weekly*, December 1, 2008.

<sup>5</sup> "'Our Mission Was Not About 10 Terrorists, It Was All About Saving Lives'" (interview with Mumbai's Joint Police Commissioner), Rediff.com, December 12, 2008; "Militants Lead Commandos in Deadly Dance in Mumbai," Reuters, November 28, 2008; "Terrorists Did Not Make Any Demands: NSG Chief," *Times of India* (Delhi), December 1, 2008.

<sup>6</sup> See [http://www.indianembassy.org/newsite/press\\_release/2008/Dec/6.asp](http://www.indianembassy.org/newsite/press_release/2008/Dec/6.asp).

<sup>7</sup> "Indian Official Unveils Plan to Strengthen Security," *Washington Post*, December 11, 2008.

government and people.<sup>8</sup> H.Res. 1532, agreed to by unanimous consent on December 10, 2008, condemned the attacks, offered condolences and support to the people and government of India, and expressed U.S. congressional desire to improve coordination between the United States and India to combat terrorism and advance international security. The resolution also called upon the Pakistani government to cooperate fully with India in bringing the culprits to justice and to prevent Pakistan's territory from "serving as a safe-haven and training ground for terrorists."<sup>9</sup>

The Bush Administration claims to be carefully monitoring related developments and has sent FBI agents to Mumbai to assist in the investigation. On November 30, the Administration announced that it would dispatch Secretary of State Rice to India as "a further demonstration of the U.S. commitment to stand in solidarity with the people of India as we all work together to hold these extremists accountable."<sup>10</sup> Rice met with Indian External Affairs Minister Pranab Mukherjee on December 3 and was told that Indian officials have "no doubt that the terrorist attack in Mumbai was perpetrated by individuals who came from Pakistan and whose controllers are in Pakistan." Rice assured her interlocutors that the United States "stands in solidarity with the people of India," and she pledged full cooperation in bringing the perpetrators to justice and ensuring that future attacks are prevented.<sup>11</sup> She then traveled to Islamabad to convey to Pakistani leaders a U.S. expectation that Pakistan act quickly and resolutely to bring justice to any perpetrators on Pakistani territory.<sup>12</sup> Rice was followed in both capitals by other senior U.S. officials, including her deputy, John Negroponte, Joint Chiefs Chairman Adm. Mike Mullen, and Foreign Relations Committee Chairman-designate Senator John Kerry.

## **Suspected/Accused Culprits**

### **Lashkar-e-Taiba**

On December 9, Indian officials released the names or aliases of the nine suspected gunmen killed during the Mumbai siege, saying all were Pakistani nationals.<sup>13</sup> U.S. and Indian officials reportedly have used forensic evidence, including phone records, to establish solid links between the gunmen and elements inside Pakistan. Early indications pointed to the Lashkar-e-Taiba (LeT or "Army of the Pure"), which was outlawed by the Islamabad government in 2002, as being complicit.<sup>14</sup> The LeT denies involvement in the attack. Designated as a Foreign Terrorist Organization (FTO) under U.S. law in late 2001, the LeT is based in Muzaffarabad (in Pakistani Kashmir) and Muridke (near Lahore). The group seeks not only Islamic rule in all of Kashmir, but is also a proponent of broader anti-India and anti-Western struggles, and is the armed wing of a Pakistan-based, anti-U.S. Sunni religious organization formed in 1989. Its key leader is Hafiz Mohammad Saeed. The LeT is believed to have close links with both Al Qaeda and the Taliban, and over the years it appears to have taken a more expansive, global jihadi perspective.<sup>15</sup> The

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<sup>8</sup> See [http://www.indianembassy.org/newsite/press\\_release/2008/Nov/11.asp](http://www.indianembassy.org/newsite/press_release/2008/Nov/11.asp).

<sup>9</sup> H.Res. 1532.

<sup>10</sup> See <http://www.whitehouse.gov/news/releases/2008/11/20081130-1.html>.

<sup>11</sup> See <http://www.state.gov/secretary/rm/2008/12/112622.htm>.

<sup>12</sup> See <http://www.state.gov/secretary/rm/2008/12/112752.htm>.

<sup>13</sup> "India Police 'Name Mumbai Gunmen,'" BBC News, December 9, 2008.

<sup>14</sup> See a profile of the LeT at <http://www.cfr.org/publication/17882>.

<sup>15</sup> Of three major Al Qaeda figures captured in Pakistan, one (Abu Zubaydah) was found at an LeT safehouse in Faisalabad, suggesting that some LeT members have facilitated the movement of Al Qaeda members in Pakistan (see (continued...))

group even has some successes in efforts to recruit Westerners, especially Britons and Americans.<sup>16</sup> Under aliases and through front organizations, the LeT has operated more or less openly in Pakistan despite the 2002 ban, fueling pervasive doubts that Pakistan's security agencies will honor the promises of cooperation being made by Islamabad's civilian leaders.<sup>17</sup>

The LeT has been implicated in past, multiple-target attacks involving coordinated movements by well-armed gunmen who took hostages. The level of sophistication and training required to undertake the recent Mumbai attacks spurred many Indian and American analysts to name the LeT as a likely suspect.<sup>18</sup> Such suspicions appeared validated when Indian government officials announced that the sole attacker captured alive had confessed to being a Pakistani national trained in LeT camps. The 21-year-old militant, named as Azam Amir Kasab and said to be a native of Faisalabad in Pakistan's Punjab province, reportedly admitted that the Mumbai operation was launched from Pakistan's Karachi port.<sup>19</sup>

Jamaat-ud-Dawa (JuD), nominally a charitable organization established in 2005 (it provides education, health care, and emergency relief services in Punjab and Pakistani Kashmir) is identified as a continuation of the LeT with a new name. The Indian government claims the JuD operates 2,500 offices and 11 religious seminaries in Pakistan.<sup>20</sup> The JuD is viewed favorably by many Pakistanis for its charitable efforts. On December 10, at the request of the Indian government and with Washington's blessing, the U.N. Security Council took several actions related to LeT, including listing four of its members for targeted sanctions, adding JuD as an LeT alias, and adding aliases for the two Islamic trusts that have raised funds for LeT. Hafiz Saeed and Zaki-ur-Lakhvi were among those named, along with two men said to be key LeT financiers, one of them a Saudi national. The U.S. Treasury Department had in May 2008 designated these same four LeT "leaders."<sup>21</sup> One of the key "masterminds" of the Mumbai attacks is said to have been Yusuf Muzammil, a top LeT commander. Lakhvi, his lieutenant, reportedly took telephone calls from the Mumbai terrorists as the attack was underway. Both men, named by the captured gunman under interrogation, reportedly stage-managed the attacks in real time.<sup>22</sup>

## **Suspected Links With Pakistan's State Apparatus**

Over the past two decades or more, the Pakistani government—its military and intelligence services, in particular—is widely believed to have used radical Islamist groups to forward its own regional policy goals. Reports link the LeT to Pakistan's main Inter-Services Intelligence (ISI) agency, which is likely to have facilitated its creation and early activities. Indian analysts

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(...continued)

<http://www.state.gov/s/ct/rls/crt/2007/103714.htm>.

<sup>16</sup> "Pakistan Militant Group Builds Web of Western Recruits," *Los Angeles Times*, December 8, 2008.

<sup>17</sup> "Mumbai Attack is Test of Pakistan's Ability to Curb Militants," *New York Times*, December 4, 2008; "Pakistan Army Link to Mumbai Suspects May Hurt Pledge," Bloomberg News, December 3, 2008.

<sup>18</sup> "U.S. Intelligence Focuses on Pakistani Group," *New York Times*, November 29, 2008; "US Official: India Attack May Have Pakistani Roots," Associated Press, December 2, 2008.

<sup>19</sup> "India Says All Attackers Came By Ship," *New York Times*, December 3, 2008.

<sup>20</sup> "India Raises Terror Issue at U.N.," *New York Times*, December 10, 2008. According to India's top diplomat, the JuD and the LeT are indistinguishable: "The headquarters are the same, the ideologies are the same, and the activities are the same" (see [http://www.indianembassy.org/newsite/press\\_release/2008/Dec/10.asp](http://www.indianembassy.org/newsite/press_release/2008/Dec/10.asp)).

<sup>21</sup> See <http://www.state.gov/r/pa/prs/ps/2008/dec/113087.htm> and <http://www.ustreas.gov/press/releases/hp996.htm>.

<sup>22</sup> "Terror Attacks Traced to Two from Pakistan," *New York Times*, December 4, 2008.



emphasize evidence of a direct link between Pakistan-sponsored militancy in Kashmir and the wider assortment of radical Islamic groups active in Pakistan after 2001, with one going so far as to call the LeT a “wholly owned subsidiary” of the ISI.<sup>23</sup> Even Pakistan’s current Ambassador to the United States has in the recent past commented upon Pakistan’s “state sponsorship of jihad against India” and described the LeT as “backed by Saudi money and protected by Pakistani intelligence services.”<sup>24</sup> In a 2005 book on the relationships between Pakistani Islamists and the Pakistani military, this diplomat wrote that, earlier in the decade, the ISI provided significant “severance pay” to jihadi leaders in return for their promise to “remain dormant for an unspecified duration.” Among the alleged recipients of this ISI largesse were the LeT’s Saeed, and Masood Azhar, chief of the Pakistan-based, FTO-designated Jaish-e-Mohammed (JeM).<sup>25</sup> The JeM, another Kashmir-focused militant group, was publically implicated by New Delhi (along with the LeT) for orchestrating a December 2001 attack on India’s Parliament complex, an event that spurred a ten-month-long international crisis.<sup>26</sup>

On December 5, an unnamed, but ostensibly high-ranking Indian official claimed that his government has “clear and incontrovertible proof” the November Mumbai attack was planned by the LeT with training and other support from the ISI. U.S. officials have to date been more circumspect in their interpretation of evidence, but many are reported to believe that the LeT’s recent growth in strength and reach has come only with active assistance from ISI elements, either active or “retired.”<sup>27</sup> In mid-2008, U.S. intelligence officials apparently concluded that ISI elements were involved in a July car bombing of India’s Embassy in Kabul, Afghanistan.<sup>28</sup>

## **Indigenous Indian Suspects**

Indian authorities are holding at least four Indian nationals in possible connection with the Mumbai attack. One, Mumbai native Faim Ansari, was detained in February 2008 carrying maps with several Mumbai landmarks highlighted, including some of those attacked in November. Ansari reportedly confessed to having received training from the LeT and he may have been part of a foiled plot to attack Mumbai earlier in the year. A man arrested along with Ansari now stands accused of facilitating the infiltration of militants into India via Nepal. Two other Indians were arrested in early December: a native of Indian Kashmir who may have illicitly provided mobile phone cards to the attackers, and a Kolkata man suspected of providing him with those cards. The former figure appears to have been working as an undercover agent for Kashmir police seeking to infiltrate militant groups.<sup>29</sup>

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<sup>23</sup> Quoted in “Beyond Control,” *India Today* (New Delhi), December 8, 2003.

<sup>24</sup> Husain Haqqani, “The Ideologies of South Asian Jihadi Groups,” *Current Trends in Islamist Ideology*, April 2005.

<sup>25</sup> Husain Haqqani, *Pakistan: Between Mosque and Military* (Washington: Carnegie Endowment for International Peace, 2005), p. 306.

<sup>26</sup> See <http://www.state.gov/s/ct/rls/crt/2007/103714.htm>.

<sup>27</sup> “Indian Official Points to Pakistan,” *Washington Post*, December 6, 2008; “Pakistan’s Spies Aided Group Tied to Mumbai Siege,” *New York Times*, December 8, 2008.

<sup>28</sup> “Pakistanis Aided Attack in Kabul, U.S. Officials Say,” *New York Times*, August 1, 2008.

<sup>29</sup> “Police Foiled Earlier Plot Against Mumbai,” *New York Times*, December 6, 2008; “Police Say Indian Helped Smuggle Pakistani Gunmen,” Associated Press, December 10, 2008; “Facts About Mumbai Attack Suspects in India,” Reuters, December 7, 2008.

## Possible Motives

The gunmen's motives remain unclear, but most reports indicate that radical Islamist sentiments played a central role. One report included anecdotal evidence that the attackers were seeking vengeance for major attacks on Indian Muslim communities at Ayodhya, Uttar Pradesh, in 1992 and at Godhra, Gujarat, in 2002.<sup>30</sup> Some observers see evidence that the attackers were inspired, if not directed, by Al Qaeda's brand of global jihadi ideology.<sup>31</sup> A White House spokeswoman said the attack on a Jewish center "adds another layer of complexity" to the episode.<sup>32</sup> Secretary Rice has speculated that the goal of the attackers was "probably to stir up trouble between Pakistan and India."<sup>33</sup> Early reporting suggested that Westerners, especially Americans and Britons, were being singled out by the attackers, but subsequent eyewitness accounts did not appear to support the conclusion.<sup>34</sup>

A former Bush State Department official and South Asia specialist views the Mumbai attacks as an escalation of what he calls the "war for Pakistan": an ongoing and essentially civil-level battle to determine whether Pakistan will be a moderate or an extremist state.<sup>35</sup> At least one former senior U.S. counterterrorism official sees the attacks as part of a "goal-oriented" effort to advance an overall strategy to, in proximate terms, defeat the U.S. military and restore Taliban rule in Afghanistan. This strategy is assumed to be shared by Al Qaeda and the Taliban in both Afghanistan and Pakistan, as well as by the LeT.<sup>36</sup> Another expert agrees that LeT goals transcend the Kashmiri separatism that has been its primary motivation, and they are aimed at crippling the Indian state and conducting global war against a perceived "American-Zionist-Hindu" axis.<sup>37</sup> Conspiracy-minded regional analysts, including Iranians and Saudis, see the Mumbai attacks as part of a plot to draw New Delhi (further) into this alleged axis.<sup>38</sup>

## Background

### Domestic Indian Terrorism

As a vast mosaic of ethnicities, languages, cultures, and religions, India is difficult to govern. Of particular relevance in the current context are tensions between India and Pakistan rooted in unfinished business from the 1947 Partition of British India in which Pakistan was created as a homeland for South Asian Muslims, competing claims to the Kashmir region, and, in more recent years, "cross-border terrorism" in both Kashmir and major Indian cities. Terrorist attacks in India beyond Kashmir have been rampant in recent months and years, and include bombings in Jaipur

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<sup>30</sup> "India Security Faulted as Survivors Tell of Terror," *Wall Street Journal*, December 1, 2008.

<sup>31</sup> Bruce Riedel, "Terrorism in India and the Global Jihad," Brookings Institution, December 1, 2008; M.J. Gohel and Sajjan Gohel, "Were Mumbai Attacks Inspired by Al Qaeda?" (op-ed), *CNN.com*, November 30, 2008.

<sup>32</sup> See <http://www.whitehouse.gov/news/releases/2008/12/20081201-2.html>.

<sup>33</sup> See <http://www.state.gov/secretary/rm/2008/12/112999.htm>.

<sup>34</sup> "Top Indian Security Official Resigns as Toll Eclipses 180," *New York Times*, December 1, 2008.

<sup>35</sup> Daniel Markey, *Mumbai: A Battle in the War for Pakistan*, Council on Foreign Relations, Expert Brief, December 12, 2008, [http://www.cfr.org/publication/17981/mumbai.html?breadcrumb=%2Fregion%2F279%2Fsouth\\_asia](http://www.cfr.org/publication/17981/mumbai.html?breadcrumb=%2Fregion%2F279%2Fsouth_asia).

<sup>36</sup> Richard Clarke, "Plans of Attack" (op-ed), *Washington Post*, December 7, 2008.

<sup>37</sup> Ashley Tellis, "Terrorists Attacking Mumbai Have Global Agenda," *Yale Global*, December 8, 2008.

<sup>38</sup> Atul Aneja, "How West Asia Views Mumbai Attacks" (op-ed), *Hindu* (Chennai), December 17, 2008.

in May (63 dead); Bangalore and Ahmedabad in July (46 dead); and New Delhi in September (18 dead). In 2008 many Indian officials came to realize that the capabilities of indigenous extremist elements had grown immensely. The newly emergent “Indian Mujahideen” (IM) group, widely believed to be an offshoot or pseudonym of the Students Islamic Movement of India (SIMI), has been found complicit in a number of recent bombings, even as government leaders continue to name Pakistan as an abettor of such episodes. Mumbai itself has suffered several major terrorist attacks.<sup>39</sup> Some Indian experts assert that the IM’s top operators, drawn mostly from SIMI’s ranks, receive training at LeT camps.<sup>40</sup>

## India-Pakistan Tensions

Decades of militarized tensions and territorial disputes between India and Pakistan arguably have hamstrung economic and social development in both countries while also precluding establishment of effective regional economic or security institutions. The nuclearization of the Asian Subcontinent became overt in 1998 when India and Pakistan both tested nuclear explosive devices. Since that time, a central aspect of U.S. policy in South Asia has been prevention of interstate conflict that could destabilize the region and lead to nuclear war. In 2004, New Delhi and Islamabad launched their most recent comprehensive effort to reduce tensions and resolve outstanding disputes. This “composite dialogue” process has to date resulted in modest, but still meaningful successes.

New Delhi acknowledges that a stable Pakistan is in India’s interests. At the same time, however, many top Indian leaders are convinced that Pakistan has long been and remains the main source of India’s significant domestic terrorism problems. They continue to blame Islamabad for maintaining an “infrastructure of terror” and for actively supporting terrorist groups that are held responsible for attacks inside India.<sup>41</sup> The latter half of 2008 saw a deterioration of India-Pakistan relations, especially after U.S., Indian, and Afghan authorities accused Pakistani state elements of being complicit in a lethal July car bombing at the Indian Embassy in Kabul, Afghanistan.<sup>42</sup> Some in New Delhi express frustration that the new civilian leaders in Islamabad appear to exert little

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<sup>39</sup> In 1993 more than 250 people died in a series of bomb attacks across Mumbai believed to be retaliation for the demolition by Hindu radicals of a historic mosque at Ayodhya. A pair of August 2003 car bombings outside the Taj hotel killed 52 people. More recently, the serial bombing of Mumbai commuter trains in July 2006 killed nearly 200 people and injured many hundreds more. Indian authorities linked each of these attacks to Pakistan-based groups, although each may have been planned by indigenous elements.

<sup>40</sup> See, for example, Praveen Swami, “Pakistan and the Lashkar’s Jihad in India” (op-ed), *Hindu* (Chennai), December 9, 2008.

<sup>41</sup> According to India’s national security advisor, very few Indian Muslims have played major roles in domestic terrorism. He has asserted that, “Mostly, the [terrorist] activity has been generated from outside” and “the overwhelming majority” of India’s terrorism problems emanates from the Pakistan-Afghanistan border region. Internal Indian government documents reportedly conclude that Pakistan’s main intelligence agency has not changed its central objectives, which, according to these sources, include supporting anti-Indian militancy in Kashmir, Punjab, Assam, and along the India-Nepal and India-Bangladesh borders (“Negotiating War,” *Outlook* (Delhi), May 28, 2008; “MK Narayanan” (interview), *India Abroad*, September 21, 2007; “ISI Still Helping Terror Groups Against India: Narayanan,” *Times of India* (Delhi), March 26, 2008; “No Let Up in ISI Operations: Report,” *Times of India* (Delhi), June 9, 2008).

<sup>42</sup> “Pakistan ‘Behind Afghan Attacks,’” BBC News, July 14, 2008; “India Blames Pakistan in Embassy Bombing,” Associated Press, July 21, 2008; “Pakistanis Aided Attack in Kabul, U.S. Officials Say,” *New York Times*, August 1, 2008.

influence over Pakistan's powerful military and intelligence agencies, which historically have acted independent of civilian oversight.<sup>43</sup>

In December 2001, the United States designated the Lashkar-e-Taiba as a Foreign Terrorist Organization shortly after it was publically implicated by New Delhi for a gun and grenade attack on the Indian Parliament complex that killed nine people. This assault triggered a full Indian military mobilization along the India-Pakistan frontier. An ensuing ten-month-long standoff in 2002 involved one million Indian and Pakistani soldiers and was viewed as the closest the two countries had come to full-scale war since 1971, causing the U.S. government to become "deeply concerned" that a conventional war "could escalate into a nuclear confrontation."<sup>44</sup> Further lethal attacks on Indian civilians spurred Indian leaders to call for a "decisive war," but intense international diplomatic engagement, including multiple trips to the region by high-level U.S. officials and other considerations, apparently persuaded India to refrain from attacking.<sup>45</sup>

## **The Kashmir Issue**

Although India suffers from several militant regional separatist movements, the Kashmir issue has proven the most lethal and intractable. Conflict over Kashmiri sovereignty has brought global attention to a potential "flashpoint" for war between nuclear-armed powers. The problem is rooted in competing claims to the state, which has been divided since 1948 by a military Line of Control separating India's Muslim-majority Jammu and Kashmir state and Pakistan-controlled Azad [Free] Kashmir. India blames Pakistan for supporting "cross-border terrorism" and for fueling a separatist rebellion in the Muslim-majority Kashmir Valley with arms, training, and militants. Islamabad, for its part, claims to provide only diplomatic and moral support to what it calls "freedom fighters" who resist Indian rule. New Delhi insists that the dispute should not be "internationalized" through involvement by third-party mediators and India is widely believed to be content with the territorial status quo. The longstanding U.S. position on Kashmir is that the issue must be resolved through negotiations between India and Pakistan while taking into account the wishes of the Kashmiri people.

## **Implications for India-Pakistan Relations**

### **New Delhi's Response**

On November 27, while multiple battles between militants and security forces still raged in Mumbai, Prime Minister Singh addressed the nation to denounce the "well-planned and well-orchestrated attacks, probably with external linkages," and noted evidence that the culprits were members of a group "based outside the country," an unmistakable reference to Pakistan. A day later, India's foreign minister said that preliminary evidence implicated "elements with links to Pakistan." On December 1, with bilateral tensions mounting, Pakistan's envoy in New Delhi was summoned and told the Indian government expected strong action to be taken against those

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<sup>43</sup> "India Frustrated by a Rudderless Pakistan," *New York Times*, August 12, 2008.

<sup>44</sup> Statement of Director of Central Intelligence George Tenet Before the Senate Armed Services Committee, "Worldwide Threat: Converging Dangers in a Post-9/11 World," March 19, 2002.

<sup>45</sup> See Polly Nayak and Michael Krepon, "US Crisis Management in South Asia's Twin Peaks Crisis" at <http://www.stimson.org/southasia/pdf/USCrisisManagement.pdf>.

Pakistani elements found to be responsible for the Mumbai attacks. Indian officials are not known to have presented any evidence, but suggested that such elements are still at large on Pakistani territory.<sup>46</sup> They submitted to Pakistan a list of 42 wanted fugitives believed to be on Pakistani territory.<sup>47</sup>

The Indian government is coming under ever-greater domestic pressure to ramp up bilateral and multilateral pressure on Pakistan as the alleged epicenter of global terrorism. Some in India call for military strikes against terrorist targets on Pakistani territory.<sup>48</sup> In claiming New Delhi has “strong evidence” that the attackers were trained in and came from Pakistan, India’s deputy foreign minister said Islamabad must deliver on its 2004 commitment to end the activities of terrorists groups on Pakistani soil. External Affairs Minister Mukherjee has voiced New Delhi’s insistence that Pakistan’s actions against militant groups operating on Pakistani soil be taken to their “logical conclusion.” This would include a total dismantling of the “terrorist infrastructure” inside Pakistan and the permanent outlawing of militant groups under whatever aliases. These steps were not, according to Mukherjee, taken following past episodes of Pakistani government assurances, and New Delhi has not been impressed with the efficacy of existing bilateral mechanisms designed to facilitate joint intelligence sharing and investigative cooperation in which “nothing has been produced.”<sup>49</sup>

While New Delhi is believed to have ruled out direct military action for the time being, Indian officials immediately began considering a suspension of the ongoing bilateral dialogue with Pakistan.<sup>50</sup> On December 16, India’s top-ranking diplomat announced what was already widely suspected: that the bilateral composite dialogue process was in “a pause” due to the Mumbai attacks. While senior India officials continue to press Islamabad to act more robustly against the Pakistani “elements” suspected of being behind the attacks, making this a requirement for “normal” relations, Defense Minister A.K. Antony stated that his country was “not planning any military action” at present.<sup>51</sup> Yet, on December 18, in the first concrete sign of deteriorating diplomatic relations, New Delhi canceled a planned January tour of Pakistan by India’s national cricket team.

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<sup>46</sup> See [http://www.indianembassy.org/newsite/press\\_release/2008/Nov/10.asp](http://www.indianembassy.org/newsite/press_release/2008/Nov/10.asp); “India Blames ‘Elements’ From Pakistan for Attack,” Reuters, November 28, 2008; “On the Calling in of the High Commissioner of Pakistan Today Evening,” Indian External Affairs Ministry press release, December 1, 2008; “In Wake of Attacks, India-Pakistan Tensions Grow,” *New York Times*, December 2, 2008.

<sup>47</sup> These include LeT chief Hafiz Saeed; Indian criminal boss Dawood Ibrahim, who is accused of orchestrating serial bombings in Mumbai in 1993 and is suspected of residing in Karachi; and Masood Azhar, founder of the Pakistan-based Jaish-e-Mohammed terrorist group implicated in numerous anti-India attacks, among them a 2001 assault on the Indian Parliament. By some accounts, Ibrahim continues to live openly in Karachi (“Dawood Sitting Pretty in Karachi,” *Times of India* (Delhi), December 4, 2008).

<sup>48</sup> “Indian Hawks Calls for Strike on Pakistan,” *Financial Times* (London), December 19, 2008.

<sup>49</sup> See [http://www.indianembassy.org/newsite/press\\_release/2008/Dec/11.asp](http://www.indianembassy.org/newsite/press_release/2008/Dec/11.asp).

<sup>50</sup> “Pranab Rules Out Military Action,” *Hindu* (Madras), December 3, 2008; “Cabinet Minister Resigns Amid Anger in India,” *Washington Post*, December 1, 2008.

<sup>51</sup> “India-Pakistan Talks Stalled After Attacks – Delhi,” Reuters, December 16, 2008; “Pranab, Antony Want Pakistan to Act,” *Hindu* (Chennai), December 17, 2008; “Indian Defense Chief: No Plans for Military Action,” Associated Press, December 16, 2008.

## Islamabad's Response

The Islamabad government offered condolences and strongly condemned the terrorist acts in Mumbai. Pakistani leaders insist that India's fight against terrorism is their fight, as well, and they promised swift action against any Pakistani elements shown to be involved, expressing a willingness to deepen bilateral engagement while warning against the "blame game and knee-jerk reactions."<sup>52</sup> All of Pakistan's major political parties were unified in their condemnation of the attacks, but they also issued a joint resolution rejecting any "hasty allegations" against their country.<sup>53</sup> Pakistan at first offered to send its top intelligence official to India to assist in the investigation, then later reversed itself, offering to send a lower-ranking official. The episode was yet another embarrassment for civilian leaders in Islamabad who have sought to demonstrate their authority over Pakistan's security establishment with little success, and it may have further damaged the confidence of Indian leaders.<sup>54</sup> On December 2, Pakistan's foreign minister offered to establish a joint inquiry into the attacks and reiterated Islamabad's intention to cooperate fully.<sup>55</sup> Islamabad has repeatedly and emphatically condemned the attacks, promised "utmost cooperation and assistance" in bringing the perpetrators to justice, and offered to establish a joint investigative commission co-chaired by Pakistan's and India's national security advisors.<sup>56</sup>

Under pressure from foreign capitals and cognizant of the threat posed to domestic security, the Islamabad government launched a crackdown on Pakistan's indigenous religious militant groups on December 7. Security forces raided a main LeT complex in Pakistani Kashmir, taking control of several buildings and arresting at least six men, including Lakhvi and Zarrar Shah, both suspected of remotely commanding the Mumbai attackers. Country-wide raids on LeT and other militant compounds continued over ensuing days, leaving a total of 53 people in custody to date, according to the Interior Ministry. A JuD spokesman claimed that nine of the group's ten top leaders were among those detained. Pakistani officials reject calls for extraditing any of the fugitives sought by India, saying that any charges brought against such persons would be leveled in Pakistani courts only.<sup>57</sup> Islamabad also acted quickly in response to the U.N.-ordered sanctions on the JuD, reportedly detaining Hafez Saeed and directing banks to freeze all accounts held by the JuD. Eleven offices were shuttered in several cities. Pakistani authorities may find it difficult to track and seize LeT assets which were hidden in the public lead-up to U.N. action.<sup>58</sup>

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<sup>52</sup> See [http://www.mofa.gov.pk/Press\\_Releases/2008/Nov/PR\\_363\\_08.htm](http://www.mofa.gov.pk/Press_Releases/2008/Nov/PR_363_08.htm); "Pakistan Wants India Tension Defused After Attack," Reuters, November 28, 2008; [http://www.mofa.gov.pk/Press\\_Releases/2008/Nov/PR\\_367\\_08.htm](http://www.mofa.gov.pk/Press_Releases/2008/Nov/PR_367_08.htm).

<sup>53</sup> "Pakistan Parties Unite on Mumbai," BBC News, December 3, 2008.

<sup>54</sup> "Pakistan U-Turn on Sending Spy Chief to India," Associated Press, November 29, 2008; "Delhi Stiffens at ISI U-Turn," *Telegraph* (Kolkata), November 30, 2008.

<sup>55</sup> "Pakistan Offers to Aid India in Terror Investigation," *Washington Post*, December 2, 2008.

<sup>56</sup> See [http://www.mofa.gov.pk/Press\\_Releases/2008/Dec/PR\\_375\\_08.htm](http://www.mofa.gov.pk/Press_Releases/2008/Dec/PR_375_08.htm).

<sup>57</sup> "History, Dissent Cloud Pakistan's Mumbai Reaction," Associated Press, December 19, 2008; "Zardari Rules Out Returning Fugitives," *Hindu* (Chennai), December 4, 2008. JeM chief Masood Azhar was reported confined to house arrest at his compound in southern Punjab, but this report later was denied by a senior Pakistani official who said Azhar remains at large, his whereabouts unknown ("Masood Azhar Not Under House Arrest: Pakistan Envoy," *Times of India* (Delhi), December 17, 2008).

<sup>58</sup> "Pakistan Arrest Leaders of Charity Linked to Mumbai Attacks," *Washington Post*, December 11, 2008; "Money Eludes Pakistan's Crackdown on Accused Terror Group," *Wall Street Journal*, December 13, 2008.

## Outlook for Bilateral Relations

In the face of domestic pressure from their respective publics, the leadership of both India and Pakistan have visibly sought to keep the situation from escalating. Yet political posturing could yet polarize the situation and reverse years of increasingly positive bilateral interactions.<sup>59</sup> Numerous Indian, American, and other observers have been jaded by a Pakistani history of “catch and release” in dealing with their indigenous extremists.<sup>60</sup> New Delhi welcomed Islamabad’s December crackdown while also pressing Pakistan to “shut down” the LeT entirely. One senior Indian government official called the Pakistani raids of LeT headquarters “eyewash” that did not address New Delhi’s core concerns.<sup>61</sup> Meanwhile, skepticism about India’s intentions and sincerity fuel nationalist cohesion in Pakistan, where such disparate groups as liberal businesspeople and Taliban commanders have rallied around the flag.<sup>62</sup>

Still, while visiting Islamabad in early December, just after meetings in New Delhi, Secretary Rice said she had “heard nothing but reasonable [and] responsible discussion” from authorities in both capitals. A week later, a spokesman for Pakistan’s Foreign Ministry responded to the New Delhi-announced “pause” in the bilateral peace process with resignation and optimism that the “hiccup” in relations will be overcome.<sup>63</sup> A lengthy suspension could lead to a further deterioration of bilateral relations and a possible return to the crisis and near-war conditions of 2002. However, some analysts are sanguine, citing the resiliency of the five-year-old peace process, a new Pakistani leadership that has demonstrated keen interest in improved bilateral relations, and the weakened state of both countries’ economies. Further reasons a bilateral war is considered unlikely include lessons learned during the 2002 crisis, and the existence of civilian (rather than military) leaders in Islamabad, and secular-minded leaders in New Delhi.<sup>64</sup>

Officials in Islamabad requested that India provide “credible information and evidence pertaining to the Mumbai attacks” without which they say Pakistan’s own domestic investigation cannot move forward. Without provision of justiciable evidence, which Indian authorities have been hesitant to provide in past cases, it is not clear how long the detained alleged plotters will be held in Pakistan.<sup>65</sup> To date, Pakistani leaders continue to deny having seen any meaningful evidence that the attackers came from Pakistan. They also claim that Indian and Western intelligence agencies have offered no firm evidence that the attacks were orchestrated on Pakistani soil. Islamabad has denied requests from foreign governments to question its detainees.<sup>66</sup>

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<sup>59</sup> “India, Pakistan Tread Lightly After Mumbai Attack,” Associated Press, December 2, 2008; “Public Anger Strains India-Pakistan Cooperation,” *Christian Science Monitor*, December 5, 2008. In one example of heightened public emotion, tens of thousands of demonstrators gathered in southern Mumbai a week after the attacks began to express their anger, at times chanting “death to Pakistan” (“As Rice Presses Pakistan, Tens of Thousands Take to Streets in Mumbai,” *New York Times*, December 4, 2008).

<sup>60</sup> “Pakistan Detains Extremist Leader,” *Washington Post*, December 9, 2008.

<sup>61</sup> “Shut Down LeT Operations, India Tells Pakistan,” *Hindu* (Chennai), December 9, 2008; quote in “Pakistan Raids Aimed to Deflect Pressure – India Experts,” Reuters, December 10, 2008.

<sup>62</sup> “Mistrust of India Forges Sense of Unity in Pakistan,” *Washington Post*, December 6, 2008.

<sup>63</sup> See <http://www.state.gov/secretary/rm/2008/12/112752.htm>; “Pakistan Optimistic on India Talks Despite Pause,” Reuters, December 17, 2008.

<sup>64</sup> “Pakistan Link to Mumbai Attacks Raises Tensions,” *Jane’s Country Risk Daily Report*, November 28, 2008; “India, Pakistan Keep Lid on Tensions,” *Los Angeles Times*, December 6, 2008.

<sup>65</sup> See [http://www.mofa.gov.pk/Press\\_Releases/2008/Dec/PR\\_388\\_08.htm](http://www.mofa.gov.pk/Press_Releases/2008/Dec/PR_388_08.htm); “After Pressing Pakistan on Mumbai Attacks, India Now Pressured to Share Evidence With Rival,” Associated Press, December 13, 2008.

<sup>66</sup> “Zardari Rejects Mumbai ‘Claims,’” BBC News, December 17, 2008; “Pakistan Won’t Let Foreigners Question (continued...)”

Many Indian commentators urge New Delhi to take a measured and unemotional approach toward Pakistan with the recognition that Islamabad, too, faces a serious terrorist threat, and that public pressure for decisive action may only exacerbate the situation. From this perspective, the Mumbai attacks could even serve as a catalyst for genuine progress in efforts to end the Pakistani military's alleged patronage of Islamist extremist groups.<sup>67</sup> However, skeptical Indian analysts insist that the Pakistani actions to date have been tactical moves aimed at creating "breathing space" for Islamabad. They remain convinced that the Pakistani military has yet to relinquish its use of Islamist militant groups as "instruments of state policy."<sup>68</sup> Others conclude that the interests of the Pakistani military, Pakistan's conservative political parties, and Islamist extremists converge in ways that marginalize Islamabad's current civilian leaders, forcing the ruling political coalition there to "take a do-little, if not do-nothing, stance."<sup>69</sup> Dubious experts have long asserted that Pakistan's interest is to appear cooperative while continuing to pursue what is seen as a largely successful strategy of asymmetric warfare against India employing jihadi elements.<sup>70</sup>

Pakistani President Asif Zardari insists that Pakistan is a victim of the same kinds of terrorists who attacked Mumbai, arguing that their goals include weakening Islamabad's civilian government and derailing the India-Pakistan peace process. He has asked New Delhi to "pause and take a breath" in recognizing that India and Pakistan must work together with others to neutralize the mutual threat they face.<sup>71</sup> Pakistan's foreign minister expressed a desire that there should be no war between his country and India, but warned that Pakistanis "are fully prepared in case war is imposed on us."<sup>72</sup>

War fears are not unfounded, as escalatory dynamics in an atmosphere of mutual antagonism and insecurity are notoriously difficult to control. A Pakistani daily reported that Islamabad ordered its military forces to go on "high alert" on the weekend following the Mumbai attacks, when President Zardari received a "threatening phone call" purportedly made by Indian External Affairs Minister Mukherjee. Mukherjee issued a statement denying that he had made any such call and expressing worry that Pakistani officials had "tried to give [the hoax] credibility" and even considered acting on it.<sup>73</sup> Reports based on the statements of Pentagon officials and others suggested that, in the immediate aftermath of the Mumbai attacks, Indian air force units were placed on alert for possible strikes on suspected terrorist camps inside Pakistan.<sup>74</sup> In mid-December, Islamabad issued a formal protest over two alleged violations of Pakistani airspace by Indian warplanes. Indian officials deny that any such violations took place.

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(...continued)

Suspects," Reuters, December 15, 2008.

<sup>67</sup> See, for example, Siddharth Varadarajan, "India's Pakistan Problem is Pakistan's Problem Too" (op-ed), *Hindu* (Chennai), December 3, 2008.

<sup>68</sup> See, for example, Wilson John, *Action Against Jihadis, Too Little, Too Late*, Observer Research Foundation (New Delhi), December 10, 2008; Brahma Chellaney, "U.S. Must Stop Pampering Pakistan" (op-ed), *Japan Times* (Tokyo), December 17, 2008.

<sup>69</sup> "Denial or Worse?" (editorial), *Hindu* (Chennai), December 6, 2008.

<sup>70</sup> See, for example, Sumit Ganguly, "Pakistan Won't Cooperate With India" (op-ed), *Wall Street Journal*, December 5, 2008.

<sup>71</sup> Asif Ali Zardari, "The Terrorists Want to Destroy Pakistan, Too" (op-ed), *New York Times*, December 9, 2008.

<sup>72</sup> Quoted in "Pakistan 'Ready for War' With India After Mumbai," *Daily Telegraph* (London), December 10, 2008.

<sup>73</sup> "A Hoax Call That Could Have Triggered War," *Dawn* (Karachi), December 6, 2008; [http://www.indianembassy.org/newsite/press\\_release/2008/Dec/4.asp](http://www.indianembassy.org/newsite/press_release/2008/Dec/4.asp).

<sup>74</sup> "US: India's Air Force 'On Alert' After Mumbai Attacks," CNN.com, December 15, 2008; "Was India Mulling Air Strikes on Pak Camps?," *Times of India* (Delhi), December 16, 2008.



# Implications for India

## Political Recriminations

Following the Mumbai attack, unity among Indian political leaders did not last even one day, and public anger toward them was reflected in a slew of recriminating media reports and public demonstrations.<sup>75</sup> Many ordinary Indians expressed anger at political leaders from both major national parties, whose alleged bickering and incompetence were seen as being at least partly responsible for allowing the attacks.<sup>76</sup> The Indian elite—mostly insulated from problems associated with the country’s poor infrastructure and weak social services—found themselves the targeted victims of violence and now demand swift government action to provide public safety.<sup>77</sup>

The current, Congress Party-led United Progressive Alliance (UPA) ruling coalition has marked more than four years in power and overseen major economic growth in India. Yet Prime Minister Singh been criticized for perceived weak and ineffective leadership. The UPA government only barely won a vote of confidence in July 2008 and has lost numerous state-level elections, some to the opposition-leading, Hindu nationalist Bharatiya Janata Party (BJP), which held national power from 1998 to 2004. Although the UPA’s constituent parties fared relatively well in several state-level elections in December, with national elections slated for May 2009 at the latest, the coalition remains at risk of succumbing to India’s strong anti-incumbency tradition. The Mumbai attacks may make even more difficult a Congress Party victory at the national level and could fuel the Hindu chauvinism sometimes championed by the BJP.<sup>78</sup> In addition, India’s already faltering economy may be further harmed by the Mumbai carnage.<sup>79</sup> At the time of this writing, three senior Indian officials—all from the Congress Party—have resigned in the wake of the attack. Home Minister Patil and the chief minister and deputy chief minister of the Maharashtra state, in which Mumbai is located, all acknowledged security lapses in tendering their resignations.<sup>80</sup> Former Finance Minister Chidambaram is now the new Home Minister.

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<sup>75</sup> “Mumbai Fallout: Will India’s Government Survive?,” *Time*, December 1, 2008; “In Anger Over Mumbai Attacks, Indians Vilify Their Politicians,” *Washington Post*, December 5, 2008; “The Other Battle,” *Frontline* (Chennai), December 19, 2008.

<sup>76</sup> “India Directs Anger at Politicians After Mumbai Attacks,” Reuters, November 30, 2008. India has no overarching anti-terrorism laws. The Prevention of Terrorism Act (POTA) was promulgated under the BJP-led government of then-Prime Minister Atal Vajpayee in early 2002. POTA came under fire as providing the government a powerful tool with which to arbitrarily target minorities and political opponents. It subsequently was repealed by Singh’s Congress-led coalition in 2004, only four months after the change of government. No new national anti-terrorism law was enacted to replace POTA, although the Unlawful Activities (Prevention) Act of 1967 allows the government to proscribe extremist groups.

<sup>77</sup> “Mumbai Terror Siege Politicizes an Upper Class Long Insulated,” *New York Times*, December 7, 2008.

<sup>78</sup> See Brian Cloughley, “Who Benefits From Mumbai?” (op-ed), *Daily Times* (Lahore), December 17, 2008.

<sup>79</sup> “Attacks May Be Stern Test for Shaky Indian Markets,” Reuters, November 26, 2008; “Slowdown Deepens in India, Attack Clouds Prospects,” Reuters, December 1, 2008.

<sup>80</sup> “More Indian Officials Quit in Aftermath of Attacks,” *Washington Post*, December 1, 2008. The BJP wasted no time in politicizing the tragedy even as it was still underway: controversial Gujarat Chief Minister Narendra Modi, a hardline Hindu nationalist and rising BJP star, gave a November 28 press conference at the Oberoi hotel in which he bashed the incumbent Congress-led government for failing to tackle the terrorism threat (“Crisis May Shift India’s Political Landscape,” *New York Times*, November 29, 2008).

## Anti-Terrorism Law and Capacity Reform

Along with domestic political recriminations, the Mumbai attack has fueled already existing concerns about India's counterterrorism policies and capabilities. In the present case, the Mumbai attackers' extensive use of modern technology presented poorly equipped Indian investigators with a difficult challenge.<sup>81</sup> Reports have arisen indicating that some degree of warning was available to Indian authorities, although it is not clear how actionable such intelligence was.<sup>82</sup> U.S. intelligence agencies were reportedly among those warning Indian authorities of a potential attack "from the sea against hotels and business centers in Mumbai."<sup>83</sup> Past India counterterrorism investigations have realized only minor successes, usually producing insufficient evidence for prosecutorial action. Even if charges are levied, the judicial system is badly hampered by painfully slow trials and obsolete technology.<sup>84</sup>

Efforts to reform the system come under criticism for being minor and slowly implemented. Only a few hundred Intelligence Bureau officials are said to specialize in counterterrorism—a seeming pittance in a country of more than 1.1 billion people—and the Indian Coast Guard employs less than 100 boats to patrol nearly 5,000 miles of shoreline. Indian police forces suffer from a dire lack of funding and training. Poor working conditions, archaic surveillance and communications equipment, and obsolete weapons further hinder their capacity.<sup>85</sup> One senior Indian terrorism analyst emphasizes the key role of local policing and he faults federal and state governments for maintaining a distressingly low police-to-population ratio of about 125 per 100,000, little more than half of the U.N.-recommended ration for peacetime policing.<sup>86</sup>

At an emergency meeting of major political parties on November 30, Prime Minister Singh vowed to establish a federal investigative agency, bolster maritime and air security, and create multiple new bases for commando forces.<sup>87</sup> On December 17, the Indian Parliament passed two major pieces of legislation in response to the Mumbai attacks, the National Investigating Agency Bill and the Unlawful Activities (Prevention) Amendments Bill. The latter is meant to facilitate investigations and trials of the accused in terrorism cases. Among other provisions, it would double (to 180 days) the detention period allowed for suspects and seek to restrict the flow of

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<sup>81</sup> "Mumbai Attacks Show Up India's Technology Shortcomings," Reuters, December 11, 2008; "Mumbai Attackers More Tech Savvy Than the Police," Associated Press, December 14, 2008. In one stunning example of lax Indian security measures, two bombs were found in a pile of abandoned luggage at the train terminal nearly a week after they had been left there by the terrorists and days after the site had been re-opened to the public.

<sup>82</sup> In March 2007, India's then-defense minister warned Parliament of intelligence reports that militants might plan to infiltrate by sea. Subsequent parliamentary investigations found serious weaknesses in the ability of Indian security forces to protect against such infiltration. In mid-November 2008, India's foreign intelligence agency reportedly intercepted a telephone conversation between parties in Karachi, Pakistan, and Mumbai who discussed possible seaborne infiltration of India's west coast by LeT militants, but a preventive naval sweep was called off after five days ("Top Indian Security Official Resigns as Toll Eclipses 180," *New York Times*, December 1, 2008; "India to Restructure Security Services After Mumbai Failings," *Jane's Defense Weekly*, December 1, 2008).

<sup>83</sup> "U.S. Warned India in October of Potential Terrorist Attack," *ABC News* (online), December 1, 2008.

<sup>84</sup> "India's Success Rate Lacks in Terrorist Prosecutions," *Wall Street Journal*, December 8, 2008.

<sup>85</sup> "Lack of Preparedness Comes Brutally to Light," *New York Times*, December 4, 2008; "'Rot' at the Heart of Indian Intelligence," BBC News, December 2, 2008.

<sup>86</sup> Ajai Sahni, "The Uneducable Indian" (op-ed), *Outlook* (Delhi), December 1, 2008.

<sup>87</sup> "Cabinet Minister Resigns Amid Anger in India," *Washington Post*, December 2008.

finances that abet terrorist activities. London-based Amnesty International warned that the provisions would violate international human rights treaties and should be rejected.<sup>88</sup>

Those who focus on (re-)establishing national anti-terror laws may be neglecting to acknowledge that such laws have at times been abused by those who implemented them, and that establishing a coherent national counterterrorism *strategy* may be the more urgent task.<sup>89</sup> Many observers cast doubt on the Indian state's capacity to effectively carry out its security overhaul plans, pointing to a severe lack of resources. Some warn that plans for a new national investigative agency may be too grandiose given New Delhi's past record with such undertakings, and that the role such an agency would play in the country's already dense bureaucracy is far from clear. Others worry that expanding anti-terrorism commando forces will not resolve more fundamental problems within such forces, including what may be inadequate training and equipment.<sup>90</sup>

## Implications for Pakistan

The Mumbai attacks have brought sharp attention to the ongoing problem of Islamism terrorism that emanates from Pakistan. Pakistani President Zardari faces the difficult task of avoiding open conflict with India while at the same time not alienating Pakistan's powerful military and intelligence services. Some analysts believe this balancing act may be doomed.<sup>91</sup> Substantively cracking down on the LeT/JuD—especially if it is seen to come under pressure from New Delhi, Washington, and other foreign capitals—poses the risk of a serious backlash among Pakistan's religious conservatives who are already vehemently opposed to Islamabad's cooperation with U.S.-led efforts to combat Taliban forces in Afghanistan and western Pakistan. This could result in even more violence and political instability in Pakistan. Yet this may also be a risk the civilian government and military must take in order to assuage now visceral anger in India and ever-increasing international skepticism about the true intentions of Pakistani leaders.<sup>92</sup> Some Pakistani commentators warn that Islamabad risks international isolation if it displays bravado rather than flexibility. Many, however, acknowledge that, while Islamabad's past use of Islamist proxy groups “may have been expedient,” current geopolitical realities dictate that such policies are no longer viable.<sup>93</sup> Most independent analysts say only time will show how serious Islamabad is in its broader stated intention to neutralize indigenous militant threats.<sup>94</sup>

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<sup>88</sup> “India Seeks to Soothe Public With New Terror Law,” Reuters, December 18, 2008; Amnesty International, “India: New Anti-Terror Laws Would Violate International Human Rights Standards,” press release, December 18, 2008.

<sup>89</sup> V. Venkatesan, “Short on Strategy” (op-ed), *Frontline* (Chennai), December 19, 2008.

<sup>90</sup> Soutik Biswas, “Will India's Security Overhaul Work?” (op-ed), BBC News, December 11, 2008; Praveen Swami, “Mumbai Siege Turns Spotlight on Crisis Within NSG” (op-ed), *Hindu* (Chennai), December 12, 2008.

<sup>91</sup> See, for example, “Pakistan's President Zardari Attempts the Impossible,” *Spiegel* (Hamburg), December 17, 2008.

<sup>92</sup> Daniel Markey, *Mumbai: A Battle in the War for Pakistan*, Council on Foreign Relations, Expert Brief, December 12, 2008, [http://www.cfr.org/publication/17981/mumbai.html?breadcrumb=%2Fregion%2F279%2Fsouth\\_asia](http://www.cfr.org/publication/17981/mumbai.html?breadcrumb=%2Fregion%2F279%2Fsouth_asia).

<sup>93</sup> See, for example, Khalid Ahmed, “Mumbai and Pakistan's ‘Heroic Isolation’” (op-ed), *Friday Times* (Lahore), December 12, 2008, and Talat Masood, “In Our Own Interest” (op-ed), *Daily Times* (Lahore), December 18, 2008.

<sup>94</sup> See, for example, “India: Pakistan Must Sustain Resolve,” *Christian Science Monitor*, December 11, 2008.

## U.S. Policy

U.S. regional policy focuses foremost on fostering stability and precluding open conflict between two nuclear-armed powers; neutralizing the threat posed by religious extremists; democratization; and economic development.<sup>95</sup> As noted above, the Bush Administration responded to the Mumbai attacks by reaffirming its commitment to close and supportive relations with India. Secretary Rice meanwhile has noted Pakistan's expressed willingness to assist in the investigation and she called this "a time for complete, absolute, and total transparency and cooperation," saying "the highest levels of cooperation" between New Delhi and Islamabad were extremely important.<sup>96</sup> While encouraging patience with the unfolding investigation, President-elect Obama responded to a question about the attacks by restating his view that sovereign states have a right to protect themselves from external threats.<sup>97</sup>

Fallout from the Mumbai terrorist attacks could further complicate U.S. policy in South Asia. President-elect Obama had shown signs that reconciliation between India and Pakistan would be a key foreign policy goal of his Administration in the interests of both regional and Afghan stability, and to reduce the likelihood of attacks by religious extremists. The new Centcom commander, Gen. David Petraeus, had voiced a similar interest, reasoning that a reorientation of Pakistan's strategic focus away from India and Kashmir, and toward militancy in Afghanistan and western Pakistan, would weaken the Afghan insurgency. Renewed tensions between New Delhi and Islamabad could easily derail such a tack while simultaneously intensifying pressure on the U.S. government to facilitate regional conflict resolution. One result could be a growing and increasingly sophisticated insurgency in Afghanistan and western Pakistan.<sup>98</sup> Any high-visibility U.S. government focus on the Kashmir issue specifically would likely evoke Indian resistance. It also would risk fueling Pakistani expectations of a future settlement favoring Pakistan, thus in turn providing a motive for Islamabad to sustain pressure by ramping up support for Kashmiri separatists. Some analysts point to this potential risk in encouraging President-elect Obama to appoint a special envoy who would deal with South Asia regional issues more broadly.<sup>99</sup>

One unnamed senior Pakistani security official reportedly said Pakistan would respond to any Indian military mobilization by withdrawing "all troops" from its border with Afghanistan and redeploying them along the frontier with India, as was done during the 2002 crisis. Some view such messages from Islamabad as a form of extortion and to argue that Pakistani leaders use such leverage to elicit U.S. pressure on New Delhi and to continue what may be an ongoing low-intensity proxy war against India.<sup>100</sup> Some analysts speculate that a bilateral India-Pakistan crisis could benefit Pakistan's security apparatus by shifting attention away from the U.S.-led "war on terror" that is deeply unpopular among the Pakistani people and that has caused the Pakistani

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<sup>95</sup> For broader discussion, see CRS Report RL33529, *India-U.S. Relations* and CRS Report RL33498, *Pakistan-U.S. Relations*.

<sup>96</sup> See <http://www.state.gov/secretary/rm/2008/11/112474.htm>.

<sup>97</sup> "India Has Right to Protect Itself: Obama," *Times of India* (Delhi), December 1, 2008.

<sup>98</sup> "India's Suspicion of Pakistan Clouds U.S. Strategy in Region," *New York Times*; "Pressure Increases on Obama for Regional Solution," *Wall Street Journal*, both November 28, 2008.

<sup>99</sup> See, for example, Lisa Curtis, *U.S. South Asia Regional—Not Kashmir—Envoy Needed*, Heritage Foundation WebMemo No. 2158, December 5, 2008, at <http://www.heritage.org/research/asiaandthepacific/wm2158.cfm>.

<sup>100</sup> "Pakistan to Move Troops If Indian Tensions Worsen," Reuters, November 29, 2008; "US, India Face Pak Blackmail on Terror," *Times of India* (Delhi), December 1, 2008.

army significant casualties and loss of domestic status.<sup>101</sup> Militancy in western Pakistan is identified as a major threat to U.S. interests.<sup>102</sup>

## **U.S.-India Relations**

Washington and New Delhi have since 2004 been pursuing a “strategic partnership” based on shared values such as democracy, pluralism, and rule of law. One facet of the emerging partnership is greatly increased counterterrorism cooperation. The U.S. State Department’s Country Reports on Terrorism 2007 identified India as being “among the world’s most terror-afflicted countries” and counted more than 2,300 Indian deaths due to terrorism in 2007 alone.<sup>103</sup> This number is set to be equaled or exceeded in 2008. In late 2001, President Bush and then-Indian Prime Minister Atal Vajpayee agreed that “terrorism threatens not only the security of the United States and India, but also our efforts to build freedom, democracy and international security and stability around the world.”<sup>104</sup> A 2006 session of the U.S.-India Joint Working Group on Counterterrorism ended with a statement of determination from both countries to further advance bilateral cooperation and information sharing on such areas of common concern as bioterrorism, aviation security, advances in biometrics, cyber-security and terrorism, WMD terrorism, and terrorist financing.<sup>105</sup> The Working Group has met a total of nine times since its 2000 creation, most recently in August 2008. Joint Chiefs Chairman Adm. Mullen was in New Delhi in early December to meet with senior Indian leaders, where he reiterated the U.S. military’s commitment to work closely with Indian armed forces on counterterrorism.<sup>106</sup>

The Mumbai incident elicited more vocal calls for deepening U.S.-India counterterrorism cooperation that could benefit both countries. Such cooperation has been hampered by sometimes divergent geopolitical perceptions and by U.S. reluctance to “embarrass” its Pakistani allies by conveying alleged evidence of official Pakistani links to terrorists, especially those waging a separatist war in Kashmir. Mutual distrust between Washington and New Delhi also has been exacerbated by some recent clandestine U.S. efforts to penetrate Indian intelligence agencies. Despite lingering problems, the scale of the threat posed by Islamist militants spurs observers to encourage more robust bilateral intelligence sharing and other official exchanges, including on maritime and cyber security, among many more potential issue-areas.<sup>107</sup> U.S. law enforcement agencies possess specialized equipment that can trace voice-over-internet calls, along with other expertise for examining the global position and satellite phone systems used by the attackers. One unnamed senior Indian intelligence source was quoted as saying that FBI assistance in tracing VoIP calls will be a “test case for U.S. promises.”<sup>108</sup>

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<sup>101</sup> “War-Mongering Militants Stoke India, Pakistan Crisis,” Reuters, December 1, 2008.

<sup>102</sup> See CRS Report RL34763, *Islamist Militancy in the Pakistan-Afghanistan Border Region and U.S. Policy*.

<sup>103</sup> See <http://www.state.gov/s/ct/rls/crt/2007/103709.htm>.

<sup>104</sup> “Joint Statement of U.S., India on Terrorism, Bilateral Ties,” U.S. Department of State Washington File, November 9, 2001.

<sup>105</sup> See <http://usinfo.state.gov/is/Archive/2006/Apr/24-821244.html>.

<sup>106</sup> See <http://newdelhi.usembassy.gov/pr120408a.htm>.

<sup>107</sup> See Lisa Curtis, *After Mumbai: Time to Strengthen U.S.-India Counterterrorism Cooperation*, Heritage Foundation Backgrounder, December 9, 2008, [http://www.heritage.org/Research/AsiaandthePacific/upload/bg\\_2217.pdf](http://www.heritage.org/Research/AsiaandthePacific/upload/bg_2217.pdf).

<sup>108</sup> Praveen Swami, “Key Test for Indo-U.S. Intelligence Ties” (op-ed), *Hindu* (Chennai), December 3, 2008; quote in “Terror Boat Was Almost Nabbed Off Mumbai,” *Times of India* (Delhi), December 10, 2008.

## U.S.-Pakistan Relations

U.S. officials expressed being pleased with Pakistan's most recent efforts to crack down on militant groups, lauding them as "important" and "great steps." Still, some reporting suggests that U.S. officials are thus far unsatisfied with the anti-terrorism measures taken by Islamabad government.<sup>109</sup> Secretary Rice also bucked widely-held perceptions when she claimed to have "heard nothing" in Pakistan suggesting any divisions between the army and the civilian government. While Pakistani officials are likely to have tailored their message to Rice to foster U.S. confidence, it is not clear if those officials can deliver on their promises, and some observers saw Rice's emergency diplomacy achieving nothing concrete.<sup>110</sup>

In a seeming response to President Zardari's repeated reference to the "nonstate" status of the LeT and other Pakistan-based militant groups, Secretary Rice told the Pakistani leader that Islamabad has a responsibility to "deal with those who used Pakistani territory even if they are nonstate actors." Rice added that she continues to believe Pakistan is "very committed to this war on terror." Following a December visit to Islamabad, Foreign Relations Committee Chairman-designate Senator John Kerry reported feeling confident that Pakistani authorities recognize the need for a serious and harsh crackdown on religious extremist groups.<sup>111</sup>

In seeking to revamp U.S. South Asia policy, President-elect Obama and his advisors may face a key central question: Are conflictual relations between the region's two largest states primarily an India-Pakistan problem or are they mainly a Pakistan problem alone?<sup>112</sup> Among the options available to President-elect Obama when he takes office would be designating Pakistan as a state sponsor of terrorism under U.S. law, a drastic measure with regard to a "major non-NATO ally" that would have major implications, but one that is favored by some observers, especially in India.<sup>113</sup> Many independent analysts strongly urge the U.S. government to energetically support Pakistani leaders and work diplomatically to bolster international support for them if they choose the "dangerous path" of standing firmly against extremism.<sup>114</sup>

Many hardline Indian analysts, long convinced that the U.S. government coddles the Pakistani security establishment with major and largely unconditioned aid, assert that meaningful improvement will not come so long as Washington implicitly condones Islamabad's alleged double-game by "propping up" the Pakistani military. Even a former Indian national security advisor, a key architect of India's militarized response to the 2001 Parliament attack, suggests that

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<sup>109</sup> See <http://www.state.gov/r/pa/prs/dpb/2008/113144.htm>; "Top US Military Official Says Pakistan Doing the Right Things After India Terror Attack," Associated Press, December 10, 2008. On potential dissatisfaction, see, for example, "Durrani Meets Rice in Washington," *Daily Times* (Lahore), December 20, 2008.

<sup>110</sup> See [<http://www.state.gov/secretary/rm/2008/12/112877.htm>]; "Rice's South Asia Trip Ends With Little Achieved," Associated Press, December 5, 2008.

<sup>111</sup> See <http://www.state.gov/secretary/rm/2008/12/112752.htm>; "Pakistan Sees Need for Crackdown After Mumbai," Reuters, December 16, 2008. In mid-December, the British Prime Minister held meetings in Islamabad (and New Delhi), where he promised to assist the Pakistani government with counterterrorism efforts and noted that three-quarters of the most serious terrorism plots investigated in Britain had links to Al Qaeda in Pakistan ("Brown Offers Pakistan Anti-Terror Aid," *Washington Post*, December 15, 2008).

<sup>112</sup> See "US to Probe New S Asia Strategy," BBC News, December 10, 2008.

<sup>113</sup> "Pak on Track to Being Named Terrorist State," *Times Of India* (Delhi), December 7, 2008.

<sup>114</sup> See, for example, Daniel Markey, *Mumbai: A Battle in the War for Pakistan*, Council on Foreign Relations, Expert Brief, December 12, 2008, [http://www.cfr.org/publication/17981/mumbai.html?breadcrumb=%2Fregion%2F279%2Fsouth\\_asia](http://www.cfr.org/publication/17981/mumbai.html?breadcrumb=%2Fregion%2F279%2Fsouth_asia).

the United States (and Britain) perpetuate the problem by continuing to underwrite the “instrument” (i.e., the Pakistan army) that abets terrorists who attack India.<sup>115</sup> Some in Pakistan worry that “pro-India” elements in the U.S. Congress will respond to the Mumbai attacks by seeking to curtail U.S. foreign assistance to Pakistan.<sup>116</sup>

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<sup>115</sup> Brahma Chellaney, “U.S. Must Stop Pampering Pakistan” (op-ed), *Japan Times* (Tokyo)), December 17, 2008; “India Will Have to Fight Its Own Way” (interview with Brajesh Mishra), Rediff.com, December 15, 2008.

<sup>116</sup> “Move in US to Get Pakistan Aid Stopped,” *Dawn* (Karachi), December 17, 2008.