Aspects of the Kashmir Conflict
—With Particular Reference to the Intensification of the “Secessionist Movement”—

Takafumi KONDO

This paper aims to identify aspects of the Kashmir problem. Since 1947 the Kashmir problem has been deeply connected with the national integration of both India and Pakistan. However, as the division of Kashmir by these two countries has continued over 50 years, the real character of the Kashmir conflict has come to have two dimensions. The first is the dispute over the sovereignty of Kashmir, and the second is the administrative deadlock on divided Kashmir for both countries. After the second India-Pakistan war in 1965, these two aspects became inseparable from each other.

After the 1965 war, the government of Pakistan (GOP), which was not able to build military superiority in South Asia, took the policy toward Kashmir to stress India’s human rights violation in “Indian-occupied Kashmir,” that is, Jammu and Kashmir province (JK), in international forums, such as United Nations or Nonalignment Movement, for the purpose of bringing the Kashmir problem to multilateral talks.

The third India-Pakistan war in 1971, which separated Pakistan’s east wing from the west, brought the preferable consequence for Government of India (GOI). Moreover, the phrase that Kashmir issue should be resolved by India-Pakistan bilateral talks was added in the Simla Agreement. Under this circumstances, India intended to integrate Jammu and Kashmir province forcefully. This policy resulted in the political awakening of residents in JK. As Sumit Ganguly pointed out, the people in JK had enjoyed the free education system from elementary school to university which was introduced by GOI to assure special status to JK through the Article 370 of the Indian Constitution from the viewpoint of JK’s situation as a disputed area. On the other hand, the economic situation in JK completely depended upon tourism and was not improved, so educated residents in JK were unsatisfactory with GOI. They were politically mobilized and organized to armed militants through the “Islamic Policy” of Pakistani President Gia-ul Haq in the 1980s.

In particular, when the JK provincial assembly election held in 1987 came out to be corrupted, the anti-Indian struggle of the people in JK intensified. These armed struggles are sometimes called “secessionist movements.” In fact, they contained various different kinds of organizations.

At the beginning, GOP assisted many types of organizations. However, from around 1990, GOP changed its policy and began to assist pro-Pakistan organizations, while excluding pro-independence and more indigenous organizations. The representative instance of the former is Hizb-ul-Mujahedeen, and of the latter is the Jammu and Kashmir Liberation Front (JKLF), whose political object is independence of JK. As the influence of GOP was strengthened, “secessionist movements” developed to be carried out by Mujahedeen, who appealed to establish an Islamic regime in JK and called for integration with Pakistan. In these days, many Mujahedeen groups are operated by non-Kashmir residents, such as Pakistanis and Afghans.

On the other hand, academic researchers could not analyse the political situation of Azad Jammu and Kashmir (AJK) in detail, because non-Pakistanis are still restricted in visiting this
area. Nevertheless, we can find out indications that some AJK people no longer support GOP’s policy to use AJK as a base for Mujahedeen or frequent political interference in AJK by GOP.

Now it is possible to point out the third aspect of the Kashmir problem. It is that residents in Kashmir, who lost the institutional frameworks to express their political opinions, resist the initiative seized by India and Pakistan. For example, the All Party Hurriyat Conference (APHC) claims that residents in Kashmir should have three options, that is, integration with India, or integration with Pakistan, or independence.

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**SUMMARY**

Revisions of the Fair Trade Act and *Chaebol* Structural Change in South Korea

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In South Korea, the family-owned and family-managed enterprise group called the *chaebol* has dominated the domestic market. The fair trade act (monopoly regulation and fair trade act) has regulated the oligopoly of *chaebol*. In this paper, it is noted that the fair trade act not only secures a fair and free competition market but also contributes to the promotion of corporate restructuring including corporate governance. Simultaneously, corporate restructuring in South Korea must correspond to the structure of not only single companies but also *chaebol*. It can be concluded that the fair trade act has supported corporate restructuring consistently in that it was set to correspond to the structure of *chaebol* after the first revision in 1986. This paper considers under what situation the fair trade act was revised, and how it has tried to stimulate *chaebol* structural change.

Although the *chaebol* is an enterprise group of family possession and family management, the family alone does not have the capital that controls affiliated companies. The means that the family uses to control affiliated companies are cross-shareholding and debt guarantees between affiliated companies. By these two methods, the family has enabled the management right of all affiliated companies in spite of a slight capital. The fair trade act has regulated these two.

The fair trade act was enacted in 1980. At the beginning, it was important to control the economic power concentration of the *chaebol*. By the present law, however, it has not fully coped with the structural problem of the *chaebol*. Then, the first revision of the fair trade act was performed in 1986, and restrictions on gross amount of investment were introduced. This system is for regulating cross-shareholding between affiliated companies indirectly. The limitations on debt guarantee system were introduced by the third revision in 1992. In the 1990s the emphasis of policy in the fair trade act shifted to strengthening the nation’s competitive power. After the Asian currency crisis in 1997, the emphasis moved to the promotion of corporate restructuring. The fair trade act has been revised under the influence of the political, economic, and social factors of the time, and it has affected *chaebol* structural change.
Thus, the fair trade act has tried to improve the chaebol structure. But the chaebol structural change did not necessarily progress up to its expectations of a fair trade policy. The greatest cause is that the family is going to maintain a controlling interest. Stocks are technically transferred among affiliated companies within the limits of the law, and management right is maintained. Moreover, the fair trade act might be revised by the demand of entrepreneurs. One of the purposes of the fair trade act is to promote chaebol structural change through revision. On the other hand, the chaebol also force revision of the fair trade act. So it can be said that revision of the fair trade act and chaebol structural change have a relationship of interaction.

The South Korean fair trade act has been revised frequently corresponding to economic, political, and social changes. The chaebol have been pressed to make the structural changes by revisions of the fair trade act. In recent years there has been a tendency to utilize the fair trade act as a policy to improve the chaebol structure.

This paper describes ownership structural reform and its effect on China’s township and village enterprises. First, I mainly observe the effect of ownership structural reform at the province and township levels on net sales per profit of the company. Second, I also analyze the effect at H township of Shanghai and P township of Jiangsu Province and clarify the cause of the effect. Finally, I analyze the change of the relation between local government and companies, especially through the flow of administrative expenses and net incomes.

My analysis shows that the results for the tendency between macro-level and micro-level are not the same. However, the serial decline in net sales per profit appeared as a common tendency. The increase in product cost was one reason, whereas structural reform costs—including investment, getting new market, rental cost of realestate—did not cause a reduction. In addition, after ownership structural reform, there still exists the problem of accounts receivable or debt, etc. These are critical factors on the China-corporate management. Finally, regarding the role of local government vis-à-vis companies, it is evident that this role has not necessarily declined even after the structural reform. For example, while the payments from companies have decreased in H township, a fiscal structure dependent on such
payments has been maintained in P township. Since fiscal revenue has not declined in either township, it can be said that this structural reform at least has not been a minus for the local governments.

In conclusion, as a consequence of the advance of marketization, although the two local governments do show the above-mentioned differences, as they are excluded from central fiscal plans, the important thing for the local governments was not the clarification of company ownership rights but the stabilization of fiscal revenue. This structural reform was no more than just one method of achieving this goal.
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