

Retrospecting the Indus Mediation through Waltz's levels of analysis

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ABSTRACT

This article presents a retrospection of India–Pakistan Indus Mediation (1951–1960) that culminated in the Indus Waters Treaty (IWT) from the perspective of Waltz's levels of analysis. It argues that apart from the factors at the individual and domestic levels of India and Pakistan, it was the US–USSR Cold War rivalry coupled with the India–Pakistan security dilemma at the international level that goaded the Mediation to succeed. The US sought to resolve the India–Pakistan water dispute as a first step to resolve the Kashmir dispute before the USSR could intervene in the region in the pretext of the Kashmir dispute. The India–Pakistan security dilemma compelled India and Pakistan to accept the offices of the World Bank and sign the IWT in 1960.

Key words: Cold War, Indus Waters Treaty, India, Pakistan, Waltz, World Bank

HIGHLIGHTS

- The research introduces Waltz's levels of analysis to hydropolitics.
- It highlights the role of the international political system in shaping international water policies.
- It discusses the role of the Cold War in the success of the Indus Mediation between India and Pakistan.

INTRODUCTION

When India was partitioned in August 1947, India and Pakistan signed a Standstill Agreement in December 1947 to maintain the status quo on the water channels crossing the newly drawn border for 3 months. When the Agreement expired, India stemmed the flow of water on 1 April 1948 from two of the canals flowing into downstream Pakistan. This incident prompted negotiations between India and Pakistan on the water question. India claimed that the British colonial water apportionment policy was biased toward the areas of the Indus basin which became part of Pakistan at the cost of the Indian part of the basin (Gulhati, 1973; Mehta, 1988). The bilateral India–Pakistan negotiations resulted in the Delhi Agreement of May 1948 which Pakistan found coercive and refused to abide by (Ali, 1967; Biswas, 1992). The World Bank intervened in 1951 and after 9 years of difficult negotiations, which this paper terms as the Indus Mediation (referred to hereafter as the Mediation), the Indus Waters Treaty (IWT) was signed in 1960 by India, Pakistan, and the World Bank.

Concluded between two arch-rivals with a history of a bloody partition and the India–Pakistan war of 1948, the success of the Mediation attracted numerous studies. These studies mainly attributed the success of the Mediation to individual- and domestic-level factors. At the individual level, the conciliatory policy of Jawaharlal Nehru, the Prime Minister of India, and the pragmatism of Ayub Khan, the military ruler of Pakistan, were found to be responsible (Khan, 1967; Gulhati, 1973; Biswas, 1992; Alam, 1998; Salman & Uprety, 2002). At the domestic

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level, the factors considered responsible for the success of the Mediation included political stability in India, the military takeover in Pakistan, the need for water and finances for India and Pakistan to avert the post-partition crises, and the development of their agriculture-based economies (Ali, 1967; Khan, 1967; Mehta, 1988; Biswas, 1992; Alam, 1998, 2002; Salman & Uprety, 2002; Wolf & Newton, 2008; Zawahri, 2011). However, the majority of these studies failed to take into account factors at the international level and their role in the success of the Mediation.

This paper investigates factors responsible for the success of the Mediation at all three levels through Waltz's levels of analysis. It argues that in comparison to factors at the individual and domestic level of analysis, post-World War II rivalry between the US and USSR coupled with the India–Pakistan post-partition security dilemma played the main role in the success of the Mediation. The application of Waltz's levels of analysis to the Mediation has an immense significance for understanding the contemporary stress in the IWT which has manifested itself in the form of numerous India–Pakistan water disputes on sharing the Indus river. The change in international factors of the end of the Cold War and the intensification of the India–Pakistan security dilemma have ramifications for India–Pakistan contemporary water relations as well.

Thus, by highlighting the role of the international factors in the Mediation by employing Waltz's levels of analysis, this research provides an analytical base for understanding the contemporary stress in the IWT. By placing different factors and actors responsible for international water conflicts (or cooperation) in different perspectives, Waltz's levels of analysis offer new insights for water policymakers to understand India–Pakistan contemporary water conflicts. By applying Waltz's levels of analysis in the field of hydropolitics, different water disputes in other parts of the world could also be investigated critically and comprehensively.

This paper is divided into three sections. The below section discusses Waltz's levels of analysis and its significance for understanding India–Pakistan contemporary water conflicts. The section next to the below section discusses the Mediation from the perspective of individual and state levels of analysis. The third section gives a detailed study of the Mediation from the perspective of the international level of analysis.

WALTZ'S LEVELS OF ANALYSIS AND THEIR SIGNIFICANCE FOR UNDERSTANDING INDIA–PAKISTAN CONTEMPORARY WATER DISPUTES

To describe, explain, and predict the complexities of international politics, scholars of International Relations (IR) developed certain perspectives based on similar actors or processes which are referred to as levels of analysis. Being a key tool of examination in IR, levels of analysis help researchers to explain different questions of why states go to wars, sign treaties, or act in a particular way. By applying this tool, a researcher categorizes different factors that shape a particular question under investigation into different categories at different levels. These factors are categorized and studied at the individual, state, and international levels. Such an investigation guides the researcher to draw plausible conclusions by declaring the standpoint of the researcher as well as the focus of the study.

Although the actual term 'levels of analysis' was coined by Singer in 1960 (Singer, 1960), it was Kenneth N. Waltz who gave and explained the concept of the levels of analysis (or three 'images' as Waltz preferred to call it) for the first time in his work, 'Man, the State, and War' (Waltz, 1959). While focusing on the causes of war, Waltz maintained that war could be explained at three different levels: individual level, state level, and international level. Explaining the causes of war at the individual level (first-image type), Waltz argued that 'According to the first image of international relations, the locus of the important causes of war is found in the nature and behavior of man. Wars result from selfishness, from misdirected impulses, from stupidity' (Waltz, 1959). In this level, the properties of humans who run a state are studied as the causality of the state's behaviors (Temby, 2015).

Thus, the individual level of analysis emphasizes the influence of choices and actions of human beings on the state's foreign policy behavior.

At the state level of analysis (second-image type), [Waltz \(1959\)](#) argued that 'War most often promotes the internal unity of each state involved. The state plagued by internal strife may then, instead of waiting for an accidental attack, seek the war that will bring internal peace.' At this level, the properties of states like the type of government or modes of production are analyzed as the determinants of states' behavior ([Temby, 2015](#)). Thus, the state level or domestic level of analysis concerns the influence of internal attributes of states on the states' external behavior. Employing an 'inside-out approach,' liberals and Marxists emphasize this level of analysis in explaining different policies, actions, and outcomes in international politics.

Explaining the international level of analysis (third-image type), Waltz stated that 'With many sovereign states, with no system of law enforceable among them, with each state judging its grievances and ambition according to the dictates of its own reason or desire – conflict, sometimes leading to war, is bound to occur' (1959). In this level of analysis, the anarchical nature of the international system is examined as the determinant of state behavior ([Temby, 2015](#)). Employing an 'outside-in approach,' the international level of analysis neglects domestic attributes of a state or the actions and choices of states' leaders. This level concerns the influence of the international political system upon states' outcomes. Waltz believed that the international level of analysis was the most important level in inspecting international outcomes ([Waltz, 1959](#)).

Interestingly, since its introduction by Waltz in 1959, the prominent analytical concept of the levels of analysis has generated debates regarding its meaning, usage, and precision to the extent that some of the scholars have advocated its dismissal ([Patomaki, 2002](#)). However, owing to its critical capabilities, this concept is widely used in investigating different international outcomes. Moreover, the preference of one level over another is still debated in IR among different scholars representing different theoretical traditions. For instance, as discussed above, the neorealist school of thought believed that the international level of analysis was the most important level, whereas the liberals and Marxists believed that the state level of analysis was the most important level.

Keeping in view its widespread usage and efficacy in unraveling the complex web of interactions among world states, this concept of Waltz's levels of analysis could prove to be helpful in understanding the water policies of different states (including the recent stress in the IWT and India–Pakistan water disputes) for two reasons. One, in the present globalized world, the nature of international water conflicts is getting complex with diversification in claims, claimants, and dispute resolution institutions ([Salman, 2006](#)). Such a complex nature of the water disputes could be better examined by placing different contestants, claims, issues, and factors in different levels (images). Two, worldwide surging water scarcity is making water resources highly contested at different levels, primarily between states. New international water disputes are surfacing, and the already functional water treaties are facing stresses, which, in turn, are making international water management highly 'political' and complex.

One such instance of the 'high-political' nature of international water management is the contemporary India–Pakistan water disputes that have put the IWT to stress. To understand the present stress in the Treaty, revisiting the negotiating process of the IWT (the Mediation) from the perspective of Waltz's levels of analysis is of immense significance. The employment of the levels of analysis breaks different factors responsible for the IWT to minute levels on one side and broadens the scope of the inspection to the international level as well. This perspective probing different factors at the individual, state, and international levels provides a better analytical base for understanding the Mediation as well as the recent stress in the IWT. If, as this paper argues, the Cold War and India–Pakistan security dilemma were one of the main driving forces behind the success of the Mediation then at the end of the Cold War, the present international power configuration and struggles at the international and regional levels have their implications for the functioning of the IWT as well.

INDIVIDUAL LEVEL OF ANALYSIS

In the case of the Mediation, different individuals' choices, actions, and perceptions influenced the course and nature of the negotiations. The policy options of some individuals proved conducive, whereas that of others served as hurdles in the way of the Mediation. Among such individuals, Jawaharlal Nehru influenced the Indus negotiations deeply and he is believed to be the chief architect of the IWT. After the death of Mahatma Gandhi, the founding father of India, in January 1948, and Sardar Vallabhai Patel, the first deputy Prime Minister of India, in December 1950, Nehru remained unparalleled in influence and power in India until his death in May 1964. His political authority coupled with his interest in the Indus water dispute made him the most influential individual in the Mediation.

During the Partition of India in 1947, Nehru's attitude was stubborn, divisive, and less conciliatory on the Indus waters question. However, his attitude changed later on and Nehru became more conciliatory and accommodative. Biswas (1992) has quoted Mosley who maintained, 'It must in fairness be admitted that he (Nehru) modified this attitude later and subsequently became one of the prime movers in the agreement on River Waters which was signed between India and Pakistan in 1960.' When the East Punjab government (India) stemmed water from the Upper Bari Doab and the Depalpur Canals flowing into downstream Pakistan on 1 April 1948, Nehru castigated the East Punjab officials for taking matters into their own hands (Gulhati, 1973). It was Nehru who asked the East Punjab government on 30 April 1948 to resume water supply to the canals. He also welcomed Liaquat Ali Khan's request for bilateral negotiations on the water dispute. He signed the Inter-Dominion Agreement (Delhi Agreement) of 4 May 1948 for the Indian side. On the contrary, Ghulam Muhammad, the Finance Minister of Pakistan, signed the Agreement from Pakistan's side. Later on, Pakistan backtracked on the Agreement on the plea that it was signed under duress, which Nehru resented later on and complained to Liaquat Ali Khan in September 1950 (Ali, 1967).

The water question became further complicated when Liaquat Ali Khan insisted on third-party mediation to resolve the water dispute. While quoting a letter from Nehru to Liaquat dated 8 October 1948, Biswas (1992) argued that Nehru did not turn down Liaquat's proposal for third-party mediation outright. Nehru suggested an International Commission consisting of an equal number of judges from both India and Pakistan to 'narrow down the difference.' 'The two Governments' Biswas quoted Nehru, as having suggested to Liaquat, 'could then consider the matter afresh, including the question of reference to a third party.' However, the same letter showed Nehru's preference for bilateral dispute resolution mechanisms over third-party mediation. The letter stated that:

'To think, ab initio, of a third party will lessen the sense of responsibility of the judges and will also be a confession of our continued dependence on others. That would hardly be becoming for proud and self-respecting independent nations.'

Pakistan disagreed with Nehru's proposal and a deadlock ensued. This deadlock was broken when David E. Lilienthal, a senior US bureaucrat and businessman, visited India and Pakistan in February 1951. Lilienthal gave a detailed plan for the resolution of the water dispute in the light of which the World Bank offered its offices to resolve the dispute.

Against his historical preference for bilateralism, Nehru accepted the Bank's offer. His nephew, B K Nehru has:

'asked the Prime Minister (Jawaharlal Nehru) how it was that he had so readily agreed to the outside interference in this dispute when he was so adamant about similar interference in Kashmir, he answered that this was

not a political question. He did not want any unnecessary tension with Pakistan and he had faith in the impartiality of the World Bank.' (as quoted in Alam (1998)).

Nehru accepted the World Bank's offer on the condition that the water dispute was to be treated on a technical basis and not to be politicized by mixing it with India–Pakistan political wrangling, especially the Kashmir dispute. Alam (2002) has quoted Nehru elaborating this condition to the World Bank's president on 25 September 1951 as 'I might make one point clear. The Canal Waters dispute between India and Pakistan has nothing to do with the Kashmir issue; it started with and has been confined to the irrigation systems of East and West Punjab.' It implies Nehru's foundational role in adopting the functional approach to the Mediation which many believed was one of the reasons for the success of the Mediation.

Another hurdle to the success of the Mediation was Pakistan's lower riparian hydropolitical insecurity. Pakistan feared that upper riparian India will unlawfully reduce waters flowing through India into downstream Pakistan. Nehru assuaged Pakistan's anxieties by assuring that 'So far as the rivers flowing into Pakistan from Kashmir are concerned, there is no question of reducing the quantity of water which they carry into Pakistan by diversion or any other device' (IBRD-25/9/51b as quoted in Alam (1998)). When India and Pakistan failed to reach a commonly agreed plan about the development of the rivers of the Indus, the World Bank presented its plan in February 1954. Nehru accepted the proposal immediately. However, Muhammad Ali, who was by then the new Prime Minister of Pakistan, did not accept the proposal and asked for further concessions. To address Pakistan's apprehensions, the Bank issued the Aide Memoire in May 1956 allowing for storage structures for Pakistan on the three Western Rivers of the Indus river system.

Since the Memoire imposed extra charges on India for storage structures to be built in Pakistan, Nehru showed some reluctance in accepting it. However, when the Bank asked Nehru to pay a fixed amount for the construction of the storage facilities, he agreed to the Aide Memoire. It removed the last hurdle to the Mediation and the IWT was signed in September 1960. General Ayub Khan (1967), who signed the IWT from Pakistan's side, also acknowledged Nehru's role as he mentioned in his autobiography that 'I must also say that in the final stages of negotiations Mr Nehru's personal intervention helped to remove certain differences which had arisen over arrangements during the transitional period.' It shows that Nehru's commitment, tolerance, consistency, political will, and influence were some of the major reasons responsible for the fruition of the Mediation. Alam (1998) refers to an interview with Jochen Kraske, a World Bank official, in which the official attributed the success of the Mediation mainly to Nehru's flexible approach toward the water question.

However, Alam (1998) considered the military coup of General Ayub Khan in Pakistan as the turning point in the Mediation. Before the coup, frequent changes in the leadership of Pakistan were one of the biggest hurdles in the success of the Indus negotiations (Khan, 1967). Muhammad Ali Jinnah, the founding father of Pakistan, could not play an active role in the canal water dispute due to his health issues. After Jinnah's death, the leadership of Pakistan passed to Liaquat Ali Khan. When Nehru and the World Bank stressed a functional approach for the resolution of the water dispute in 1951, Liaquat Ali Khan complied and stated that both the parties of India and Pakistan should 'refrain from using the negotiations in one dispute to delay progress in solving any other' (IBRD-25/9/51a as quoted in Alam (1998)).

After the assassination of Liaquat Ali Khan in October 1951 until Ayub Khan's coup in October 1958, the Prime Minister's office in Pakistan was occupied by six individuals. Among these six Prime Ministers, it was Chaudhry Muhammad Ali whose interest and understanding of the water question matched Nehru's to some extent. Ali's book *The Emergence of Pakistan* (1967) is still referred to as one of the first works of significance that pleaded Pakistan's stance on the Indus water question. In practice, however, before Ali could proceed with a treaty based on the Aide Memoire, his government changed too. Interestingly, some of Pakistan's leaders

employed political rhetoric on the water question which resulted in the politicization of the Indus water question. The politicization of the waters was against the commonly agreed rule of functional approach and greatly hindered progress toward a final resolution of the water question. However, when Ayub Khan came into power, he decided to goad the negotiations with the IWT.

General Ayub Khan's economic and agrarian reforms prompted him to accept the Bank proposal of 1954 (as modified by Aide Memoire) on 22 December 1958 and decided to sign the IWT with India in 1960. Ayub believed that India had the power and intention to divert the waters of the three Eastern Rivers of the Indus river system and thus believed reaching the Treaty was a pragmatic option. He owned the decision for the IWT which he communicated, loudly and lucidly, through a speech to Pakistan's water experts and engineers in the Government House, Lahore. He recorded the speech in his autobiography (1967) as:

'The responsibility does not lie on any one of you, so let me tell you very plainly that the policy is going to be mine. I shall consult you whenever I am in doubt regarding technical details, but if any one of you interferes with the policy, I shall deal with him myself. This problem, if not tackled properly, may well mean the end of the country. I mean every word of it. So, don't let anyone make any mistake about it.'

Interestingly, Akhter (2013) maintains that the water rights which General Ayub Khan secured for Pakistan in the IWT of 1960 were different from what the civilian leadership of Pakistan had achieved in the World Bank Plan of February 1954 supplemented by the Aide Memoire of May 1956. In the World Bank Plan of 1954 and the Aide Memoire of 1956, India was afforded no significant rights on the Western Rivers, whereas the IWT granted India rights on the Western Rivers. These Indian rights on the Western Rivers serve as one of the main reasons for the contemporary stress in the IWT.

In a nutshell, seen from the individual level of analysis, it was Nehru from the Indian side and General Ayub Khan from Pakistan's side whose 'policies and actions' took the Indus negotiations to a successful conclusion in the shape of the IWT in 1960.

STATE LEVEL OF ANALYSIS

The Mediation was also influenced by certain factors and dynamics at the domestic levels of the states of India and Pakistan. These factors included political stability in India and political instability in Pakistan, the post-Partition influx of refugees in both the states, the need for economic assistance for the rehabilitation of the refugees, and the development of the agrarian economies of the two riparians and the functional-technical approach adopted during the Mediation.

India inherited mature political institutions from the parting British Raj when compared to Pakistan which inherited a strong military-feudal order, an interesting creation of the British colonial water policy in the Indus river basin (Mehsud, 2020a). The political party of the Indian National Congress played a pivotal role in the struggle for freedom against the colonial rule which helped the political party to entrench itself in the vacuum left by the colonial power. Subsequently, the Indian National Congress won consecutive elections bringing political stability to the Indian political system during the long course of the Mediation.

On the contrary, despite playing an important role in the independence of Pakistan, the political party of the All India Muslim League could not step effectively into the power vacuum left by the colonial masters. Subsequently, political feuds among different political factions, mainly engineered by the strong feudal-military order, postponed elections which resulted in political instability in Pakistan during the Mediation. As discussed earlier, this political instability and frequent changes in the office of the Prime Ministers served as one of the main bottlenecks in the success of the Indus negotiations (Khan, 1967). However, this bottleneck was removed when the military took

over the corridors of power in 1958. Being unaccountable to the public and fearless of any political backlash, the new military regime dared to sign the IWT in 1960.

The second factor at the state level of analysis that drove the Mediation to success was the financial aid from the World Bank. In the aftermath of the Partition of India, both India and Pakistan applied for loans from the World Bank to develop their respective irrigation systems. India, in particular, needed the funds for the construction of the Bhakra-Nangal multipurpose project on the river Sutlej (Alam, 1998). The Bank refused to lend the requested money due to the disputed nature of the Indus waters (Alam, 2002). The World Bank associated the provision of the loan with the resolution of the canal water dispute. To gain financial assistance, both the states of India and Pakistan decided to cooperate on the Indus. Moreover, the World Bank had also made it clear in 1951 that any agreement necessitating finances will be funded by the Bank. Davidson Sommers, who was General Counsel of the World Bank during the Indus negotiations, beautifully summarized the role of finances in pushing the Mediation to success as:

‘the Indus, what seemed to give us an interest in it was that we had been asked by both sides to finance projects on the Indus system, and had refused because of the unresolved question of the water. We’ve done that in various parts of the world. And so you’re right, that there is a relation to lending. If you write a letter asking to be invited in as a mediator, to put it crudely, you generally find the letter winds up with some such phrase as appeared in our letter to Nehru and – I don’t remember who the Pakistani Prime Minister was, Mohammed Ali Khan, I think – saying, “If you would like to proceed, the Bank will assign people and will be prepared to consider sympathetically any financing proposals that result from the agreement.” There’s always an overtone of financial help in the background. Otherwise, it doesn’t have the necessary sex appeal.’ (as quoted in (Alam, 1998)).

Being upper riparian and comparatively strong, India could have chosen not to bind itself in a treaty with downstream weak Pakistan, but any delay was denying India’s development. Pakistan too needed economic aid which was conditional on the resolution of the canal water dispute. Moreover, both the states needed the loans direly from the World Bank for two reasons. First, both the states were newly born and needed finances to sail through the critical post-colonial phase. Second, the high influx of the refugees and the need for their rehabilitation necessitated both the states to acquire developmental loans (Zawahri, 2011).

The third factor at the state level which was responsible for the resolution of the water dispute was the employment of the ‘functional’ rather than a political approach to the water question. This functional approach was popularized by David Lilienthal in his famous article, ‘Another Korea in the Making?’ (Lilienthal, 1951; Mehsud, 2020b). On 8 November 1951, Eugene Black, the president of the World Bank, elaborated the functional approach in a letter to Nehru and Khwaja Nazimuddin by stating that ‘The problem of development and use of the Indus basin water resources should be solved on a functional and not a political plane, without relation to past negotiations and past claims and independently of political issues.’

The functional approach implied the separation of the India–Pakistan water dispute from the India–Pakistan political disputes, especially the Kashmir dispute. In addition to Lilienthal and Black, Nehru and Liaquat Ali Khan also believed and agreed that the water dispute could be resolved if kept away from India–Pakistan political disputes, especially the Kashmir dispute (Alam, 1998). A logical corollary of the functional approach was the secrecy to be maintained in the negotiations. The approach along with the secrecy of the proceedings of the negotiations did not favor Pakistan as it left little space for addressing downstream vulnerabilities of Pakistan which were necessarily rooted in India–Pakistan political animosity (Mehsud, 2020b). Therefore, from 1952 up to 1954, the Pakistani Embassy in Washington, D.C. used extensive propaganda to politicize the water dispute to an

international audience (Akhter, 2013). However, when the military took power in 1958 in Pakistan, the functional approach was implemented in letter and spirit (Khan, 1967). Such a functional approach played a crucial role in the success of the Mediation (Wolf & Newton, 2008).

INTERNATIONAL LEVEL OF ANALYSIS

At the international level of analysis, the first factor that promoted the Mediation to success was the India–Pakistan post-Partition security dilemma which was rooted in the violent Partition of India in 1947. The immediate India–Pakistan war of 1948 on the Kashmir dispute, and the apprehensions in Pakistan that India had not accepted the Partition of India philosophically, further intensified this security dilemma. Moreover, it was believed in Pakistan that a strong vocal element in India wanted to undo the Partition and federate Pakistan back with India (Ali, 1967; Khan, 1967). Such a sense of political insecurity in Pakistan took its toll on downstream Pakistan’s hydro-insecurity vis-a-vis upstream rival and powerful riparian.

Pakistan’s India-centric water insecurity was further heightened by the Indian action of stemming the flow of water from a few canals into downstream Pakistan on 1 April 1948. To amend for its water insecurity, Pakistan asked for negotiations which resulted in the bilateral Delhi Agreement. Instead of assuaging its hydrovulnerabilities, the Agreement bruised Pakistan’s water concerns. Pakistan felt relieved when the World Bank offered its offices to mediate on the water dispute. Pakistan knew that owing to its lower riparian status and weak military power, it could not fight over the Indus waters with India and thus decided to enter the IWT in 1960. While contextualizing his decision in the tense India–Pakistan security situation, Ayub Khan recounted his decision about the IWT as:

‘The sources of the rivers were in India along with the headworks. India had made arrangements to divert the waters and the Indian Army was three times the size of our army. I felt that if negotiations with India broke down, and the Indians did decide to divert the waters, we should be facing a situation of war. Every factor was against us. The only sensible thing to do was to try and get a settlement even though it might be the second-best because if we did not, we stood to lose everything.’ (Khan, 1967).

The second factor relevant at the international level of analysis was the Cold War dynamics that motivated the US and its allies to intervene in the canal water dispute through the World Bank.

It is maintained by many studies that the visit of David Lilienthal to India was sanctified by the US Secretary of State, Dean Acheson (Alam, 1998). The purpose of his visit had a strong motivation of containing Soviet influence in the volatile region of South Asia as the US still considered India an opportunity for democracy vis communism (Lilienthal, 1966). After his detailed visit to India and Pakistan, Lilienthal wrote about the India–Pakistan political situation, especially the Kashmir dispute in his article, ‘Another Korea in the Making?’ which appeared in *Colliers Magazine* on 4 August 1948.

As the title of ‘Another Korea in the Making?’ explains, Lilienthal warned the US about the implications of the Kashmir dispute for the Cold War competition between the US and USSR. He stated that ‘Kashmir, in short, is Communism’s northern gateway to the great strategic materials and manpower of the Indo-Pakistan subcontinent, and to the Indian Ocean.’ He warned the US policymakers about the potential escalation of the Kashmir dispute to ‘Another Korea’ which could provide a power vacuum for the communist powers of the USSR and China to intervene. Lilienthal maintained that:

‘Nor can anyone dismiss the likelihood that with the Moslem world arrayed against her, India would seek allies, and thus widen the conflict; nor that Red Russia and Red China would cultivate the opportunity for Communism all this added turmoil in Asia would provide.’ (Lilienthal, 1951).

As a first step to resolve the Kashmir dispute before the dispute could attract the USSR or the newly Red China and the US to counter their influence, Lilienthal suggested the resolution of the canal water dispute through a detailed plan. Lilienthal’s plan not only laid the foundation of the Mediation but deeply influenced the basic features of the IWT as well (Mehsud, 2020b). Alarmed by the message of Lilienthal, American diplomats in Pakistan and India stressed resolving the water dispute (Alam, 2002). To counter any influence of communism in the region of South Asia and acquire a foothold in the region, the World Bank offered its offices as well as capital to India and Pakistan (Mustafa, 2010). Interestingly, the USSR failed to take any initiative to counter-balance US influence in the irrigation or water management sector of the Indus river basin either through the World Bank or unilaterally. The USSR was well aware of the role of the World Bank in the Cold War fight, for it was created during the Bretton Woods Conference.

During the Bretton Woods Conference of 1944, Harry White, an American economist and senior U.S. Treasury Department official, argued for the creation of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD), which is commonly known as the World Bank, as a strong bulwark against communism. He stated that ‘There is nothing that will serve to drive these countries into some kind of “ism” – communism or something else – faster than having inadequate capital’ (Goldman, 2005). The USSR, despite its participation in the Bretton Woods Conference, refused to ratify the Articles of Agreement that created the IMF and the World Bank. It charged that the IMF and the World Bank were branches of Wall Street.

Later on, the World Bank was castigated for being ‘subordinated to political purposes which make it one instrument of one great power’ (Mason & Asher, 1973). Subsequently, the Soviet Union refused to join the World Bank, and other socialist states like Poland, Czechoslovakia, and Cuba also withdrew from its membership in 1950, 1955, and 1960, respectively. These socialist states including the Soviet Union believed that the World Bank had an anti-communist political purpose to serve (Kapur *et al.*, 1997). Eugene Black explained such a political role of the Bank as:

‘The so-called competition between Communism and the West is, I am afraid, being conducted too often these days on the Communists’ terms...The issue is this: Are the political interests of the West better served by administering economic aid to outbid the Russians for public favor in the underdeveloped world? Or are they better served by administering aid with the single-minded purpose of providing something which the underdeveloped countries require for more rapid growth?’ (as quoted in Akhter (2013))

When the World Bank offered its financial assistance, Nehru and Liaquat Ali Khan and later on Ayub Khan could not resist the offer. As discussed earlier, both the states of India and Pakistan had emerged from a long era of colonial exploitation, and the Bank’s promise had the potential to help them grease their agriculture-based economies through the formative phase of their independence.

In the last years of the Mediation, India refused to bear the costs of the storage facilities which the World Bank’s Aide Memoire of 1956 contained for Pakistan. Eugene Black met Nehru and convinced him to agree to a fixed amount. Black also facilitated a consortium of six capitalist countries including the US, Canada, the UK, the Federal Republic of Germany, Australia, and New Zealand which provided \$800 million to construct the replacement and storage facilities needed to execute the IWT.

CONCLUSION

At the individual level of analysis, Nehru's personal interest in the Indus water question, coupled with his accommodative behavior as well as political will, proved conducive for the Indus negotiations to succeed in the shape of the IWT in 1960. Especially crucial was Nehru's decision to let the World Bank intervene and resolve the India–Pakistan water dispute. However, Nehru's efforts would have proved elusive unless matched by the political pragmatism of General Ayub Khan. At the domestic level of analysis, the need for the financial aid for the development of the agriculture-based economies of the newly born states of India and Pakistan was an important factor. Nehru accepted the World Bank's offer to sail through the post-Partition crises of refugees' influx, poverty, and food crises.

This paper, however, concludes that it is the international level of analysis that better explains the politics of the Mediation and its ultimate success. Exemplified by the Kashmir conundrum, the India–Pakistan security dilemma provided the regional context for the resolution of the water dispute. Alarmed by the Cold War implications of the snowballing of the water dispute into a larger conflict, the US-backed World Bank offered its services as well as finances to India and Pakistan. The Bank's offer was made at such a critical time that Nehru, who did not like third-party mediation on India's disputes with its neighbors, could not resist it. Nehru welcomed the Bank-led mediation, in which Pakistan found an opportunity to escape the India–Pakistan security dilemma as well as ensure its quest for water security through a third-party partisanship of the World Bank to the IWT.

The application of this key analytical tool of IR in the field of hydropolitics could prove to be helpful in explaining different contemporary international water policy issues and reaching meaningful conclusions. International water management issues are shaped by factors at the individual level like policy, personality, vision, and actions of a leader of a co-riparian state or a third party as discussed above in the case of the Mediation. Factors at the state level like the nature of the regime in power, civil–military relations, surge in population, the subsequent surge in need for food, and electrification as well as intra-state water disputes also shape water policies of states. Similarly, factors at the international level like global and regional configuration of power, struggles for global and regional hegemony, as well as other international environmental factors like climate change and its implications for water supply also shape international water management practices and policies. An investigation of these different factors through Waltz's three levels of analysis equips analysts to explain international water management in an objective manner.

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DATA AVAILABILITY STATEMENT

Some of the data are available from online repository or repositories.

CONFLICT OF INTEREST

The authors declare there is no conflict.

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