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in South Asian

and Comparative Politics

# The Composite Dialogue between India and Pakistan: Structure, Process and Agency

by

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Working Paper No. 65 February 2012

South Asia Institute



Department of Political Science

Heidelberg University

<u>HEIDELBERG PAPERS IN SOUTH ASIAN AND</u> <u>COMPARATIVE POLITICS</u>

ISSN: 1617-5069

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# The Composite Dialogue between India and Pakistan: Structure, Process and Agency

Sajad Padder<sup>1</sup>

Keywords: Kashmir conflict, confidence building measures, peace dialogue, Indian-Pakistan relations

#### **ABSTRACT:**

The roots of the Composite Dialogue Process date back to May 1997, when at Male, the capital of Maldives, the then Indian Prime Minister Inder Kumar Gujral and his Pakistani counterpart Nawaz Sharif mooted the idea of a structured dialogue or the Composite Dialogue Process (CDP). Based on a compromise approach, the peace process enabled the two countries to discuss all issues including Jammu and Kashmir, simultaneously. Since its inception, the dialogue process has gone through numerous highs and lows in bilateral relations. It has remained susceptible to unforeseen incidents which have derailed the process several times in the past. However, since April 2003 it has progressed steadily till the November 26, 2008 Mumbai terror attacks when the dialogue process was suspended for a long time. This paper dwells upon the history of the peace process since its inception in 1997 and examines the progress made in the eight baskets of issues namely, *Peace and Security including confidence building measures(CBMs);* Jammu and Kashmir (J&K); Siachen; Wullar Barrage/Tulbul Navigation Project; Sir Creek; Economic and Commercial Cooperation; Terrorism and Drug Trafficking; and, Promotion of Friendly Exchanges in various fields. The analysis of the peace process in this paper hinges on three key questions. First, has any positive change in the mindset of both sides came about over the years due to the peace process? Second, what were the main achievements of CDP? And third, what are the prospects of resolving the pending bilateral issues in future talks?

#### **INTRODUCTION**

A 'peace process', to be worth the name, implies the existence of a structure, continuity and some understanding, however vague, of the result it seeks to achieve. In the 63 years of their existence as independent states, India and Pakistan took 50 years — half a century — to develop a process in 1997, and an unsteady one at that. Only since 2004 has the peace process become organised, acquired speed and continuity, and an agreement on the fundamentals has seemed within reach. The roots of India-Pakistan Composite Dialogue Process date back to May 1997, when at

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Male, the capital of Maldives, the then Indian Prime Minister Inder Kumar Gujral and his Pakistani counterpart Nawaz Sharif mooted the idea of a structured dialogue or the Composite Dialogue Process.<sup>2</sup> Based on a compromise approach, the peace process enabled the two countries to discuss all issues including Jammu and Kashmir, simultaneously. It was a compromise in the sense that while India agreed to include Kashmir in the agenda for talks, Pakistan relented to include terrorism, the two major irritants in bilateral relations. This first attempt at composite dialogue collapsed under the impact of the Kargil war in 1999. Although the two rounds of talks in 1998 (16–18 October and 5–13 November) had not seemed particularly propitious, the Lahore summit that followed seemed to have produced a breakthrough. However, no negotiations were likely to be able to survive the subsequent war and recriminations. From that point, the possibilities of a Composite Dialogue seemed distant as the Nawaz Sharif's government in Pakistan was overthrown by a military coup and the new leader, General Pervez Musharraf, condemned the Lahore summit for allowing India, in effect, to avoid addressing the violence in Kashmir.

Following Kargil and the failed Agra summit, the prospects for negotiation got much worse due to the December 13, 2001 terrorist attack on the Indian parliament. Many in India believed that Pakistan had been complicit in these actions. But that event, along with 9/11 in the United States, also restructured international politics on the subcontinent. Tensions between India and Pakistan rose throughout the spring and summer of 2002, as war between India and Pakistan seemed increasingly likely. Yet that tension began to diminish in October 2002 and within six months, the focus had returned to the Composite Dialogue. So in April 2003, India began what was described as a 'step-by-step' initiative towards Pakistan. In July 2003, diplomatic relations and direct transport links were re-established and in November a ceasefire was initiated. The Composite Dialogue Process was revived in June 2004 in pursuance of a decision taken during the visit of former Prime Minister of India, Shri Atal Bihari Vajpayee to Pakistan in January 2004. Since then, four rounds of serious discussions have taken place between India and Pakistan (till the November 26, 2008) Mumbai terror attacks), on the eight issues in order to try and resolve these contentious issues to the satisfaction of both sides. The eight issues under discussion in the Composite Dialogue process are: (1) Peace and Security, including confidence-building measures (CBMs); (2) Jammu and Kashmir; (3) Siachen Glacier; (4) Wullar Barrage/Tulbul Navigation project; (5) Sir Creek; (6) Economic and Commercial Cooperation; (7) Terrorism and Drug trafficking; and, (8) Promotion of friendly exchanges in various fields.

# PEACE AND SECURITY, INCLUDING CONFIDENCE BUILDING MEASURES

Some of the major CBMs reached within the framework of the Composite Dialogue process include:

- Formal Ceasefire along the LoC (Line of Control), International Border and the Actual Ground Position Line brought into effect at midnight of 25 November 2003 and has remained in effect since;
- Delhi-Lahore bus service was started in 1999, but was stopped in light of the Kargil conflict. It was resumed in 2003;

<sup>&</sup>lt;sup>2</sup>Ashutosh Misra, "An audit of the India-Pakistan peace process", Australian Journal of International Affairs, Routledge, UK, 2007, p. 506.

- The first bus service between Srinagar and Muzaffarabad was started in 2005;
- Bus services from Lahore to Amritsar, Amritsar to Nankana Sahib and train links between Munabao in Rajasthan and Khokhrapar in Sindh were started in 2006;
- The Samjhauta Express, which runs between Delhi and Lahore, resumed service in 2005, and despite the 2007 blasts, has continued to run since;
- The first overland truck route between the two countries was opened at the Wagah border crossing in 2007;
- Air links were increased from 12 to 28 flights weekly, triple-entry permit for cross-LoC travel introduced and the frequency of the Srinagar-Muzaffarabad bus service increased from fortnightly to weekly, in 2008;
- Joint Economic Commissions and Joint Business Councils were reactivated in 2004;
- Agreement on Advance Notification of Ballistic Missile Tests brought into effect in 2005 and required both parties to inform the other 72 hours in advance before testing any ballistic missiles within a 40 km radius of the International Border and the Line of Control;
- Establishment of a Communication Link between Pakistan Maritime Security Agency and Indian Coast Guard brought into effect in 2005, primarily to facilitate early exchange of information regarding fishermen apprehended for straying into each other's waters;
- Humanitarian aid in terms of food, medicine and the like was extended by India and accepted by Pakistan, in the aftermath of the earthquake in Pakistan Administered Kashmir in 2005;<sup>3</sup>
- A Joint Anti-Terrorism Institutional Mechanism to identify and implement counter-terrorism initiatives and investigations in both the countries was brought into effect in 2006;
- An agreement facilitating regular contact between state-run think tanks, *Institute of Defence Studies and Analyses* (New Delhi), and *Institute of Strategic Studies* (Islamabad) was brought into being in 2008. This agreement is meant to contribute to building channels of communication at the level of scholars;

<sup>&</sup>lt;sup>3</sup> The agreement to open five points on the Line of Control (LOC) in order to provide relief and medical assistance to quake victims was widely acclaimed in J&K as a genuine humanitarian gesture by the two countries. "It is a good step" said Hurriyat leader Mirwaiz Umar Farooq. Ms. Mehbooba Mufti, Chairperson of the then ruling People's Democratic Party (PDP) said such steps were imperative for taking the process of restoration of peace and reconciliation forward. "I am very happy that it is happening. It was very much needed," she said adding "this is the beginning. We'll have to go a long way before the dream of oneness, harmony and affinity is translated into reality." On November 5, 2005 the Spokesperson Navtej Sarna (Govt. of India) told a media briefing that the necessary work to operationalise the five points was under way. He said that the crossing point at Chakan da Bagh (Poonch) would be operationalised on November 7, at Kaman (Uri) on November 9 and Tithwal (Tangdhar) on November 10, 2005. He clarified that due to non-availability or damage to infrastructure at the above crossing points, crossing would be permitted on foot.

- The first meeting of a Joint Judicial Committee of judges belonging to both countries was conducted in 2008. This committee is meant to look into the welfare and release of prisoners jailed in both countries. More than 500 prisoners have been released by both sides in repeated instances in 2003, 2004, 2005, 2007, 2008 and 2009;
- Foreign Ministers of both countries agreed to a series of Kashmir-specific CBMs to facilitate crossing the LoC in 2008. A new dimension was added to Indo-Pak trade relationship with the revival of cross- LoC trade in October 2008;
- Both countries agreed to host festivals displaying each other's movies in 2006. The Pakistani Government allowed for the legal release of Indian films in Pakistan in 2008.<sup>4</sup>

# JAMMU AND KASHMIR

Stephen P. Cohen argues that 'Kashmir is the most important single conflict in the subcontinent, not just because its territory and its population are contested, but because larger issues of national identity and regional power balances are imbedded in it.'5 A cursory look at the events in the last decade would reveal that India, Pakistan and even Kashmiris have reached the *Mutually Hurting Stalemate* (MHS) stage on Kashmir, and that there is no way other than reaching an understanding at the political level. It is clear, that none of the parties involved in the conflict—India, Pakistan, Kashmiris and militants, can alter the status quo through military means. The status quo, on the other hand is also not acceptable, as it is hurting all parties concerned. India and Pakistan have failed to alter the status quo in Kashmir, irrespective of the different political and military strategies that they employed in recent years. Before the Islamabad Summit in January 2004, there have been more than thirty-five occasions, in which the Heads of State in India and Pakistan have met. Besides these meetings at the highest levels, there were at least twelve rounds of talks between 1989 and 1998 before the Lahore and Agra Summits. Neither the meetings at the Heads of State level nor at the Foreign Secretary level, could proceed further. All these attempts invariably broke down, due to the failure of both governments to reach an understanding on Kashmir.

During the period from 2004-2007, General Musharraf put forward various proposals for resolving the Kashmir imbroglio. In November 2003 in an interview with the BBC Radio Urdu Service, Musharraf re-introduced his 'four-step' approach to Kashmir, one he had tentatively put across during the Agra talks which offered to eliminate all options unacceptable to India, Pakistan and the people of Kashmir and then evolve a consensual solution. The 'four-steps' envisaged:

- i. Official talks commence.
- Centrality of the Jammu and Kashmir dispute is acknowledged. ii.
- iii. Any proposal unacceptable to India, Pakistan or Kashmiris is taken off the table.
- Best solution acceptable to India, Pakistan and the Kashmiris is taken.<sup>6</sup> iv.

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<sup>&</sup>lt;sup>4</sup> Samarjit Ghosh, "Two Decades of Indo-Pak CBMs: A Critique from India", Institute of Peace and Conflict Studies, New Delhi, Issue Brief 132, September 2009.

<sup>&</sup>lt;sup>5</sup> Stephen P Cohen, Draft case study "The Compound Crisis of 2002" in South Asia Amid Crisis, The Brookings Institution, p. 31.

<sup>&</sup>lt;sup>6</sup> The Pakistan Ministry of Foreign Affairs mentioned it in its official brief in 2005.

It is believed that the Musharraf's 'four-step' proposal was discussed amongst the officials of both countries during the course of Composite Dialogue Process. In September 24, 2004, General Musharraf and Indian Prime Minister, Dr Manmohan Singh met in New York and signed a joint statement indicating that they would start looking into various options on Kashmir and take the peace process forward. On December 5, 2006, Musharraf further polished his ideas and put forward the 'four point formula':

- i. Softening of LoC for trade and free movement of people.
- ii. Self governance/ autonomy.
- iii. De-militarization from whole of Jammu and Kashmir.
- iv. Joint supervision/ management.

While the official process of Composite Dialogue and Musharraf's 'thinking aloud' in the media continued between 2003 and 2007, an unofficial back channel was activated to discuss issues in an informal and more nuanced manner. The two principal envoys were—for Pakistan, a college classmate of Musharraf named Tariq Aziz, and for India it was Satinder Lambah. Their exertions produced a framework solution that was cleared on the Indian side by the Cabinet Committee on security and on the Pakistani side by the Corps Commanders Conference, before domestic political difficulties triggered by his dismissal of the Chief Justice forced Musharraf to back off.<sup>7</sup>

#### SIACHEN GLACIER

The highest battlefield in the world, the Siachen Glacier, has witnessed conflict between India and Pakistan for over twenty years. It has so far resulted in hundreds of causalities caused mostly by adverse climatic conditions and harsh terrain rather than military skirmishes. The conflict is also putting an enormous financial burden on the national exchequer of both sides. Sliding down a valley in the Karakoram Range, the glacier is 76 kilometers long and varies in width between 2 to 8 kilometers.<sup>8</sup> It receives up to 6 to 7 meters of the annual total of 10 meters of snow in the winter months. Blizzards can reach speeds of up to 150 knots (nearly 300 kilometers per hour). The temperature drops routinely to 40 degrees centigrade below zero, and even lower with the wind chill factor. For these reasons the Siachen Glacier has been called the "Third Pole."9 The altitude of some Indian forward bases on the Saltoro Ridge range from Kumar (16,000 feet) and Bila Top (18,600 feet) to Pahalwan (20,000 feet) and Indira Col (22,000 feet). Because of the steep gradient of the Saltoro Range, the area is also prone to avalanches. Only 3 percent of the Indian causalities have been caused by hostile firing and the remaining 97 percent fall prey to the altitude, weather, and terrain. That is why the former Indian diplomat Mani Shankar Aiyar states, "In the frozen wastes of Siachen, General 'Frost Bite' kills hundreds of jawans in the never-ending battle which both armies

See http:// www.mofa.gov.pk/Pages/Brief.htm.

<sup>&</sup>lt;sup>7</sup> Varadarajan Siddharth, "Time to End the Impasse with Pakistan", The Hindu, April 26, 2010.

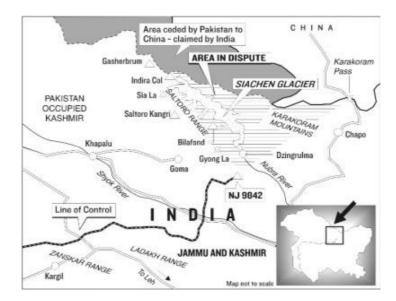
<sup>&</sup>lt;sup>8</sup>Ashutosh Misra, "An audit of the India-Pakistan peace process", Australian Journal of International Affairs,

Vol. 61, No. 4, December 2007, p. 513.

<sup>&</sup>lt;sup>9</sup> Samina Ahmad and Varun Sahni, "Freezing the Fighting: Military Disengagement on Siachen Glacier", Cooperative Monitoring Center Occasional Papers (Sandia National Laboratories, Albuquerque) 1998, p. 10.

wage against Nature".<sup>10</sup> Pakistani positions are comparatively at a lower altitude in the glacier area, ranging between 9,000-15,000 feet.

Initially Siachen was considered to be completely inhospitable and not worth any conflict on the ground. The original cease fire line (CFL) agreed to by India and Pakistan in the July 1949 Karachi Agreement did not cover the area of 'the glaciers' because of the difficulties of delineating the line. Beyond the delineated grid, Point NJ 9842, near Chalunka, the Karachi Agreement spoke of the line passing 'north to the glaciers'.<sup>11</sup> When the ceasefire line was changed into a mutually accepted line of control (LoC) in October 1972, the newly delineated line ran from the Shyok River west of Thang (which is on the Indian side) to Point NJ 9842. The area north of it was left blank and open to encroachments. Indians and Pakistanis have tried to stake their territorial claims by interpreting the vague language contained in the 1949 and 1972 agreements to prove their respective points. For Pakistan 'thence northwards' means from NJ 9842 up to Karakoram Pass.<sup>12</sup> India, on the other hand draws a north westerly line from NJ 9842 along the watershed line of the Saltoro Range, a southern offshoot of the Karakoram Range.<sup>13</sup>



Map 1. Siachen Glacier and the Surrounding Areas<sup>14</sup>

The genesis of the Siachen dispute was the April 1984 Indian military initiative in the vicinity of the Siachen Glacier. The operation, code-named *Meghdoot*, triggered armed clashes between Indian and Pakistani forces in the area and eventually led to the current phase of dispute.<sup>15</sup> Continuous negotiations have been held to contain and resolve the conflict ever since the outbreak of hostilities. As early as 1984 and 1985, flag meetings were held with little success between Indian and Pakistani sector commanders. Since January 1986, several high-level talks have

<sup>&</sup>lt;sup>10</sup> Mani Shankar Aiyar, "India-Pakistan: Retrospect and Prospect", Wilhelm Von Pochhammer Memorial Lecture, New Delhi, 12 January 2011.

<sup>&</sup>lt;sup>11</sup> Kanti Bajpai, Afsir Karim, Amitabh Mattoo, Kargil and After: Challenges for Indian Policy, Har-Anand Publications, New Delhi, 2001, p. 200.

<sup>&</sup>lt;sup>12</sup> Samina Ahmad and Varun Sahni, "Freezing the Fighting: Military Disengagement on Siachen Glacier", p. 16.

<sup>&</sup>lt;sup>13</sup> Ibid.

<sup>&</sup>lt;sup>14</sup> Source: Viney Bhatnagar

<sup>&</sup>lt;sup>15</sup> Kanti Bajpai, Afsir Karim, Amitabh Mattoo, Kargil and After: Challenges for Indian Policy, p. 201.

been held between Indian and Pakistani Defense and Foreign Secretaries as well as senior military personnel, reflecting their desire to reach a peaceful and negotiated settlement. At the fifth round of talks between Defense Secretaries in June 1989, an understanding was initially reached to resolve the dispute. According to the joint statement issued at the conclusion of talks, "there was agreement by both sides to work towards a comprehensive settlement, based on redeployment of forces to reduce the chances of conflict, avoidance of the use of force and the determination of future positions on the ground so as to conform with the Simla Agreement and to ensure durable peace in the Siachen area."<sup>16</sup> At the sixth round of the Defense Secretary talks in November 1992, with the assistance of military experts, an India-Pakistan agreement was reportedly reached that envisaged (1) the mutual withdrawal of troops from key passes to new positions, and (2) the creation of a 'zone of complete disengagement' as a result of troop disengagement and redeployment. The delineation of this area of 'peace and tranquillity' would be "without prejudice" to the known position of either side. The agreement also reportedly included pledges by both states to refrain from reoccupying vacated positions.<sup>17</sup> The two countries. however, not only failed to implement these tentative agreements, but one or the other side denied that any tangible agreement had been reached on either occasion. The difficulty in reaching or implementing any mutually agreeable proposal was due to a number of factors, ranging from domestic political constraints to differences over the determination of redeployment positions, the demarcation of the proposed demilitarized zone, and ensuring the inviolability of such a zone.

The talks on Siachen resumed at the Defence Secretary level in 2004 which proved inconclusive, apart from agreeing to hold further talks on the dispute. While offering a treaty of "peace, friendship and security" to Pakistan in March 2006, Prime Minister Dr Manmohan Singh had hinted that issues like the dispute over the Siachen glacier region and the boundary dispute in Sir Creek could be resolved soon. The then Pakistan's Foreign Minister, Khurshid Ahmed Kasuri, has been claiming that discussions to demilitarize the Siachen conflict zone, as a prelude to a final agreement to extend the Line of Control (LoC) beyond map reference NJ 9842, have been proceeding slowly towards reaching an agreement. However, the Indian side has been reticent and Defence Minster A. K. Antony, who visited Siachen on 5 May 2007, has gone so far as to say that there is no question of progress on demilitarization unless Pakistan authenticates the forward positions of Indian troops.<sup>18</sup>

A resolution of the Siachen dispute could be a big step towards building trust and confidence between India and Pakistan. A resolution of the Siachen issue has also become a priority from the ecological point of view. The military presence on Siachen is affecting the water supply to the rivers originating from these glaciers. They also account for the accumulation of huge debris on it. All this is destroying the pristine ecological balance of these landforms. The development of Siachen as a 'Peace Park' in fact, is a very important CBM in removing the mistrust in India-Pakistan relations.

<sup>&</sup>lt;sup>16</sup> Samina Ahmad and Varun Sahni, "Freezing the Fighting: Military Disengagement on Siachen Glacier," Cooperative Monitoring Center Occasional Papers (Sandia National Laboratories, Albuquerque) 1998, p. 21.

<sup>&</sup>lt;sup>17</sup> Atul Aneja, "Siachen Accord Envisages a Thaw," The Hindu, March 28, 1997.

<sup>&</sup>lt;sup>18</sup> Gurmeet Kanwal, "Does Siachen have Major Strategic Significance?" Asian Tribune, May 22, 2007.

### WULLAR BARRAGE/ TULBUL NAVIGATION PROJECT

India and Pakistan disagree even on the name of this dispute. India refers to it as Tulbul Navigation Project whereas Pakistan calls it the Wullar Barrage. The Tulbul Navigation/Wullar Barrage Project envisages the construction of 439 feet long and 40 feet wide barrage by India in 1984 on the river Jhelum, at the mouth of Wullar Lake, near Sopore town in Kashmir. Pointing to the storage utility of the barrage, Pakistan argued that India had Violated Article I (II) of the Indus Water Treaty (IWT) which prohibits both parties from undertaking any "man-made obstruction" that may cause change in the volume of the daily flow of waters unless it is of an insignificant amount.<sup>19</sup> The talks on the dispute within the framework of the Composite Dialogue process resumed at the secretary level between the Indian Ministry of Water and Power and the Pakistani Ministry of Water Resources on 29-30 July 2004 in which the two sides looked at the issue in light of the provisions of the 1960 Indus Water Treaty. The talks were cordial but failed to yield any breakthrough. In 2005, the next round of talks between the two ministries looked into the dispute, laying down future courses of action but like the previous round, no tangible solution emerged. Delegations of the two countries also met in New Delhi on 30-31 August 2007 for discussions. The Indian delegation was led by Mrs. Gauri Chatterji, Secretary, Ministry of Water Resources, Government of India and the Pakistan delegation was led by Mr. Muhammad Ismail Qureshi, Secretary, Ministry of Water and Power, Government of Pakistan. The talks were held in a cordial and constructive atmosphere. The two sides further discussed their respective positions on the project and had a better appreciation of each other's views. The dispute can be easily resolved provided it is de-linked from the larger issue of Jammu and Kashmir, as was done when the Indus Water Treaty was signed in 1960.

#### SIR CREEK

The India-Pakistan dispute over Sir Creek can be traced back to the preindependence period, to around 1908, when an argument ensued between the rulers of Kutch and Sindh over a pile of firewood lying on the banks of a creek dividing the two principalities. The dispute was taken up by the government of Bombay state, gave its verdict in 1914, supported by Map Number B44 and subsequently B74.<sup>20</sup> Nothing significant happened in the next 40-50 years, and the dispute again came alive only in the 1960s. Sir Creek, which is more like a fluctuating tidal channel, is a sixty-mile-long estuary in the marshes of the Rann of Kutch. The Rann lies on the border between the Indian state of Gujarat and the Pakistani province of Sindh.

In 1965, after armed clashes, Pakistan asserted that half of the Rann along 24th parallel<sup>21</sup> was Pakistani territory. India countered that the boundary ran roughly along the northern edge of the Rann. The matter was referred to arbitration and the Indo-Pakistani Western Boundary Case Tribunal's Award on February 19, 1968, upheld 90 percent of India's claim to the entire Rann, conceding small sectors to Pakistan.<sup>22</sup> This still left the boundary of the Sir Creek from its head in the marshy lands of the Rann to its mouth in the Arabian Sea and the maritime boundary between India and Pakistan un-demarcated. India and Pakistan had agreed not to

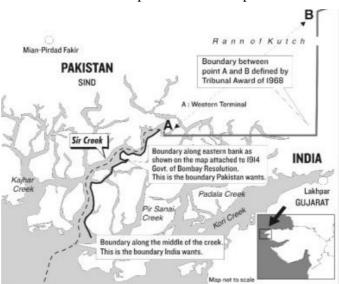
<sup>&</sup>lt;sup>19</sup> Mallika Joseph, "Delhi Round of Indo-Pak Talks – II: Tulbul Navigation Project/Wullar Barrage", Islamabad Policy Research Institute (IPRI), November 21, 1998.

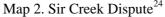
<sup>&</sup>lt;sup>20</sup> Ashutosh Misra, "The Sir Creek Boundary Dispute: A Victim of India-Pakistan Linkage Politics", International Boundaries Research Unit (IBRU), Boundary and Security Bulletin, UK, Winter 2000-2001, p. 91.

 <sup>&</sup>lt;sup>21</sup> The boundary line which Pakistan acknowledges and India refuses to acknowledge.
<sup>22</sup> Ibid.

refer this part of the un-demarcated boundary for adjudication to the tribunal. Because of this understanding between the parties, the tribunal had noted that it had not taken into consideration the boundary along the Sir Creek. The dispute has festered since then. As a result, it is not possible for India and Pakistan to distinguish between their territorial waters (the zone up to 12 nautical miles, where states enjoy exclusive rights and can restrict passage of foreign boats), their contiguous zones (up to 24 nautical miles, where states can enforce custom and fiscal laws, fisheries laws and ban acts prejudicial to the state) or their Exclusive Economic Zones (up to 200 nautical miles extendable to 350 nautical miles for countries with continental shelf).

Pakistan's contention is that the boundary along the Sir Creek must lie along the eastern edge of the creek. India believes that the boundary should be along the middle of the creek; that it should be demarcated using the 'thalweg' or the midchannel principle ('thal'- valley, 'weg' - way). The 'thalweg' principle lays down that boundaries along a river or a valley must lie along the line connecting the deepest points along a river channel or the lowest points along the valley floor. The case for a mid-channel boundary is based on the Sir Creek being a navigable channel throughout the year. Pakistan's contention is that the creek is not navigable and, therefore, the mid-channel principle does not apply. Today, the Sir Creek does not flow as shown in the 1914 map. It has shifted westwards i.e., towards Pakistan. However, the head of the creek, as it existed then, is marked by a boundary pillar, called Western Terminal. It was from this point that some 38 pillars marked the horizontal boundary eastwards. Pakistan neither recognises the existence of the Western Terminal nor the pillar-based horizontal boundary eastwards.<sup>23</sup> Pakistan's contention is that the eastward boundary should be based on the dotted line as drawn in the 1914 map. This line is below the boundary marked by the pillars. The contentious question is: What should be recognised – the pillars on the ground or the line on the 1914 map? In the current climate, neither country is willing to concede territory.





In recent years, both sides have shown seriousness in settling the matter in an amicable manner. In 2005, a joint survey was launched in the marshy strip by both

<sup>&</sup>lt;sup>23</sup> Bharat Bhushan, "Tulbul, Sir Creek and Siachen: Competitive Methodologies", South Asian Journal, 2005. <sup>24</sup> Source: Viney Bhatnagar

countries to ascertain their respective claims.<sup>25</sup> The survey covered the horizontal section of the creek. The second month long survey took place in January 2007 in which hydrographers along with the ships of the two navies participated. The two surveys covered the land as well as the coast, to verify the outermost points of the coastlines in the disputed area, on the principle of equidistance.<sup>26</sup> Both the sides disagree on how to proceed forward in delineating the border. After the completion of the joint survey, officials on both sides had noted that there has been a convergence to a great degree among both the countries on the delineation of the boundary.

On the other hand, the United Nations (UN) is keeping mum on the protracted dispute between India and Pakistan over the ownership of Sir Creek even after the expiry of the deadline on May 2009 that was set by the world body to resolve this issue. The UN had set the deadline for the archrival countries to resolve this dispute amicably with a warning that after the expiry of the deadline the disputed area of sea would convert into international waters. The UN fixed this deadline in 1982, but after a lapse of 26 years, India and Pakistan have failed to settle this issue as a result of which the fishermen of both the countries are in serious trouble as they are detained frequently, put into jails and their boats are impounded, as they are deemed to be in violation of UN laws.<sup>27</sup>

#### ECONOMIC AND COMMERCIAL COOPERATION

India and Pakistan are the two largest economies in South Asia. Together, they account for 90 percent of the gross domestic product (GDP) and 85 percent of the population of the region. They share a long contiguous border, have similar cultures and in a not-too-distant a past, enjoyed well-integrated transport and market links. If we look at neighbouring countries which are similar in size to India and Pakistan in terms of population or current GDP, such as Malaysia and China or Brazil and Argentina, bilateral trade accounts for 2.2 percent and 10.2 percent, respectively, of world trade in these countries. The case of India and Pakistan is guite different. At the time of partition, India and Pakistan were highly dependent on each other for trade. Thereafter, both resorted to deliberate measures to minimize their trade dependence on each other. India's share in Pakistan's global exports and imports was 23.6 per cent and 50.6 percent respectively in 1948-49. These shares went down to 1.3 percent and 0.06 per cent in 1975-76 and 1.1 percent and 2.7 percent respectively in 2005- 06.<sup>28</sup> Similarly, Pakistan's share in India's global exports and imports was 2.2 percent and 1.1 percent respectively in 1951-52. These shares went down to 0.02 percent and 0.4 percent in 1975-76, and 0.7 per cent and 0.13 per cent in 2005- 06.29 This shows that the trade between these two neighbouring countries has been much below the potential. The potential sectors for economic cooperation between the two countries include agricultural products, especially tea, auto spare-parts, minerals, chemicals, pharmaceuticals, leather, textiles, telecommunications, iron ore, energy resources, electricity generation using coal and wind energy etc. Of all the above

<sup>&</sup>lt;sup>25</sup> Sameer Suryakant Patil, "Indo-Pak Composite Dialogue: An Update", Institute of Peace and Conflict Studies (IPCS), Special Report, No. 53, June 2008.

<sup>&</sup>lt;sup>26</sup> Ibid

 <sup>&</sup>lt;sup>27</sup> Javed Mahmood, Shafi Baloch, "UN keeps mum on Sir Creek dispute", The Nation, September 7, 2009.
<sup>28</sup> Ranjit Singh Ghuman, Davinder Kumar Madaan, "Indo-Pakistan Trade Cooperation and

<sup>&</sup>lt;sup>28</sup> Ranjit Singh Ghuman, Davinder Kumar Madaan, "Indo-Pakistan Trade Cooperation and SAARC", Peace and Democracy in South Asia, Volume 2, Number 1, 2006.

<sup>&</sup>lt;sup>29</sup> R.S. Ghuman, Indo-Pakistan Trade Relations, Deep and Deep Publications, New Delhi, 1986, p.81.

mentioned sectors, there is an immense scope for cooperation in energy sector and textiles, especially ready-made traditional garments.

The Composite Dialogue has led to substantial improvements in bilateral trade relations. In this regard, the Commerce Secretaries of the two sides met on 11- 12 August 2004 in Islamabad to discuss various proposals to expand their economic and commercial relationship. The India-Pakistan Joint Study Group (JSG), constituted to discuss trade and economic issues in a detailed manner, met on 22-23 February 2005. The delegation was led by the commerce secretaries of both sides.

The Fourth Round of India-Pakistan talks on Economic and Commercial Cooperation within the framework of the Composite Dialogue was held on 31 July - 1 August 2007 in New Delhi. The Indian delegation was led by Commerce Secretary, Shri G.K. Pillai and the Pakistani delegation was led by Syed Asif Shah, Secretary of Ministry of Commerce<sup>30</sup>. The talks were held in a cordial and constructive atmosphere.

The two sides agreed on the following:

- i. Both sides emphasized the importance of having bank branches in either country to facilitate trade. Both sides agreed to finalise the processing of the applications for the two bank branches in either country within six months of the receipt of applications or by 31<sup>st</sup> December 2007 whichever is later;
- ii. To facilitate import of cement from Pakistan, the Indian side informed that India will complete all statutory certification related formalities on a fast track. The Indian side informed that it is also in the process of making appropriate policy changes to accept third party certification;
- iii. To facilitate import of tea from India it was agreed to facilitate and encourage the trading of tea through rail. Pakistan side noted the request for providing duty concessions on import of Indian tea;
- iv. Pakistan will nominate representatives to the Joint Working Group to discuss the issues relating to joint registration of Basmati rice as Geographical Indication (GI) and the first meeting of the Group will be held at an early date. The Pakistan side raised the issue of Notification issued by India declaring 'Super Basmati rice' as an approved variety for export. India agreed to look into this issue;
- v. The Indian delegation handed over a list of 484 tariff lines for inclusion in the Positive List of items importable from India. The Pakistan side agreed to examine the request in consultation with stakeholders;
- vi. The Indian side informed that a Task Force comprising of representatives from various ministries and departments of Government of India has been constituted to address the issues of Non-Tariff Barriers (NTBs) and paratariffs. The Task Force will make recommendations in a time bound manner for removing these barriers to provide greater market access to all members of SAARC;

<sup>&</sup>lt;sup>30</sup> Joint Statement on the Fourth Round of India Pakistan talks on Economic and Commercial Cooperation, New Delhi, August 1 2007, at http://indembkwt.org/press/aug0107.htm

- vii. In order to address the issue of imbalance in bilateral trade, the Indian side invited the Pakistan side to identify twenty products of its export interest so that India could inform Pakistan about the detailed import regime on these products with a view to facilitating their import into India;
- viii. Both sides will facilitate holding of trade exhibitions in each other's country. The Indian side invited Pakistan to organize a "Made in Pakistan" Trade Fair in India;
- ix. A delegation from Pakistan was invited to visit India to see some of the ITenabled tele-medicine facilities, with the objective of exploring avenues of cooperation in this field;
- x. The Indian side made a presentation on the state of development of Integrated Check-post (ICP) planned to be developed at Wagah/Attari Border at the Indian side. The Pakistan side also briefed on the state of infrastructure and proposed plan for development on its side. Both sides agreed to continue the exchange of information on the development of ICPs on either side;
- xi. Both sides noted with satisfaction the initiative to allow cross border movement of trucks, up to designated points at Wagah/Attari, for unloading/reloading of cargo. It was decided that the first technical level meeting to work out modalities would be held on 20th August 2007 at the Wagah border on the Pakistan side;
- xii. Indian side also proposed that in order to reduce pressure on Attari-Lahore Rail route and to improve trade, the Munabao-Khokrapar route should be opened for freight movement. Pakistan side noted the proposal;
- xiii. Both sides agreed to constitute a Joint Group headed by Joint Secretaries of Commerce of both countries to monitor and coordinate the decisions taken during the Fourth Round of talks on economic and commercial cooperation within the framework of Composite Dialogue.<sup>31</sup>

The official trade increased from a paltry US\$ 300 million in 2003-04 to US \$ 2.1 billion in 2008-09. But after the November 26, 2008 Mumbai attacks, the India-Pakistan trade declined by approximately 60 % in 2009-10 with the overall trade falling from US\$ 2.1 billion to US\$ 900 million.

<sup>&</sup>lt;sup>31</sup> Joint Statement on the Fourth Round of India-Pakistan talks on Economic and Commercial Cooperation, New Delhi; August 1, 2007, at http://indembkwt.org/press/aug0107.htm

Sajad Padder

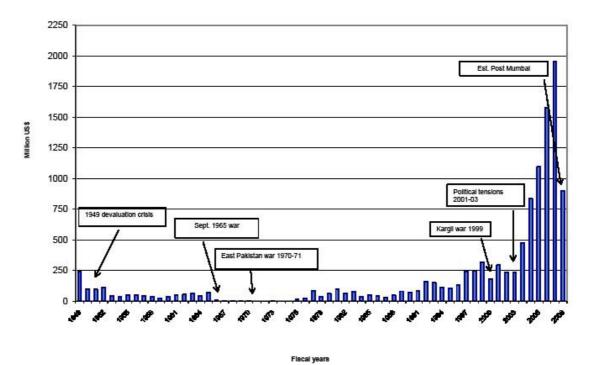


Figure 1. Impact of Political Tensions on India-Pakistan Trade<sup>32</sup>

Note: Trade is measured as a sum of exports and imports in nominal U.S. dollar values.

There have been a number of studies using gravity models to assess the effects of SAFTA (*South Asian Free Trade Area*) on inter-regional trade. Based on these studies, India-Pakistan trade could increase up to 50 times its current level. A more recent study, using the *Peterson Institute for International Economics* (PIIE) gravity model, shows that the potential for formal trade between India and Pakistan is roughly 20 times greater than recorded trade. This means that at 2008 trade levels, total trade (exports and imports) between India and Pakistan could have expanded from its level of US\$ 2.1 billion to as much as US\$ 42 billion if the 'normal' relations estimated by the PIIE gravity model for trading partners were to hold for the two countries.<sup>33</sup>

The Government of Pakistan is in the process of granting the Most Favoured Nation (MFN) status to India. This step would go a long way in building trust and confidence between the two countries. Perhaps the decision to grant MFN status signals a shift in Pakistani policy towards India, but to what extent it will have a bearing on political and diplomatic relations in the long term remains to be seen.

### **Cross-LoC Trade**

Since the introduction of trade across the line of control (LoC) in Jammu and Kashmir in the year 2008, as a confidence building measure under the Indo-Pak composite dialogue, traders have established a regular exchange of goods. Critical to the establishment of trade was the decision of New Delhi and Islamabad not to impose trade tariffs on goods. After two years, the trade figures seem impressive. The average weekly import of goods from Pakistani to the Indian side of Kashmir

<sup>&</sup>lt;sup>32</sup> Source: 50 Years of Pakistan in Statistics, and Ministry of Commerce, Government of Pakistan.

<sup>&</sup>lt;sup>33</sup> Mohsin S. Khan, "Improving India-Pakistan relations through trade", East Asia Forum (Economics, Politics and Public Policy in East Asia and the Pacific), April 19th, 2010.

during 2010 was eight crore Pakistani rupees. The fact that an overwhelming majority of traders come from divided families, whose engagement is sustained by familial ties, reflects that the trade is sustained as much by emotion as by economic rationale.

However traders face considerable obstacles, primarily from the heavy constraints that govern their activities. There are basic issues related to economic facilities and infrastructure. "We are suffering losses in crores for want of adequate storage facility. We were forced to keep the goods in open during rainy conditions, which damaged truckloads of items," said President, Salamabad-Chakoti Traders Association, Asif Lone.<sup>34</sup> From a meagre two trucks a week, the quantum of the cross-LoC trade has jumped to 250 trucks. However traders said there is facility for storage only for 20-30 truckloads of goods at the Centre. They claim that neither there were sufficient godowns at TFC (Trade Facilitation Centre) nor have authorities hired skilled porters to load or unload the goods. The traders have been demanding for a long time that storage capacity should be increased. Minister for Industries, Government of Jammu and Kashmir, SS Salathia, acknowledged that lack of storage facilities is a problem at Salamabad Trade Centre (STC). "We have acquired land for setting up the facility and have kept Rs five crore for it," he said. Regarding other facilities like Banking, the minister said they had taken up the issue with government of India on several occasions. "But nothing has happened."35

The lack of communication facilities is another impediment to normal trade. Because they have no direct connection with the traders on the other side, traders on the Indian side of J&K have to follow a circuitous route for communication. Citing security reasons, the Government of India has banned the international direct dialing system from within J&K to any part of Pakistan, including the Pakistan Administered Kashmir. It is also not possible for traders to visit their counterparts on the other side of the LoC. Theoretically, they can use the bus service, mainly meant for residents, to freely move to the other side but in practice the service has not been opened to the public and remains restricted to 'divided families'. The most important constraint on the trade, however, is defined by the absence of a financial arrangement. No decision has been taken on the currency to be used for trade and no banking system has been provided. In a meeting with the representatives of Salamabad Chakoti Trade Union on May 10, 2011, the Minister for Finance, Government of Indian Administered Jammu and Kashmir, Abdul Rahim Rather assured them that the Reserve Bank of India has framed a comprehensive scheme which is under consideration of the governments of India and Pakistan. "Once the scheme gets the nod, banking facilities would be put in place to conduct LoC trade as per the urges and aspirations of the traders."<sup>36</sup> But still no decision has been taken in this regard neither by the government of India or Pakistan. Hence, trade takes place through the most medieval barter system.

As a result, both the business community and the civil society are upset with the pace of progress. Even those sections, which wholeheartedly supported this CBM, are today cynical on the success of this initiative, if the cross-LoC crawls at a snail's pace. The business communities on both sides complain that it is not even a barter trade, but also a blind trade. "We don't expect from the government to provide us the banking and proper communication facilities. It will be more than enough if they can set up temporary tin sheds for storing the goods. Let government come open

<sup>&</sup>lt;sup>34</sup> Muddasir Ali, "Official 'apathy' botch up cross-LoC trade", Greater Kashmir, 04 January, 2011.

<sup>&</sup>lt;sup>35</sup> Greater Kashmir, 04 January, 2011.

<sup>&</sup>lt;sup>36</sup> Greater Kashmir, 11 May, 2011.

with its plans on the cross-LoC trade. It is not only business but our emotions are attached with it. Kashmiris have given huge sacrifices to make it a reality," said General Secretary, Salamabad-Chakoti Traders Association, Bilal Turkey. "We have been paying from our own pockets for any kind of repair work or other arrangements needed from time to time at the Trade Centre. How can government now turn their back on us," said Turkey. The traders allege that certain quarters in the establishment are hell bent on sabotaging the cross-LoC trade as they do not want expansion of any economic activity between the two parts of Kashmir. More than 350 Valley based traders and another 10,000 people earn their livelihood directly or indirectly from the intra-Kashmir trade.

If the cross-LoC trade has to flourish, the most important step is to find a banking mechanism to replace the existing barter system. In this regard the proposal put forward by the J&K Joint Chamber of Commerce and Industry (J&K JCCI) and other civil society members for the opening of a branch of the J&K Bank in Muzaffarabad and a branch of the AJK Bank in Srinagar would be of great significance. Besides, no modern trade can work on barter system of 21 items undertaken by two parties who are not even in direct communication with each other. It is important to give traders an opportunity to cross the LoC to make market assessments that will allow them to go beyond the 'blind trade' system that they operate within. Without compromising security, New Delhi and Islamabad will need to make bold decisions to serve the larger objective of both states from the cross LoC interactions.

#### **TERRORISM AND DRUG TRAFFICKING**

One of the driving factors for India to agree to a composite dialogue was to address the issue of terrorism. The 2001-2002 India-Pakistan military stand-off took place against the backdrop of The War on Terror in the region. The attack on the Jammu and Kashmir state assembly in Srinagar on October 1, 2001 and subsequent attack on the Indian Parliament on December 13, 2001 precipitated a 10-month military stand-off between the two countries. Pakistan for the first time condemned the attack on the state assembly and the Indian Parliament.<sup>37</sup> The thaw in India-Pakistan relations began in April 2003 and resulted in ceasefire on the LoC on 26 November 2003.<sup>38</sup>

The issue of terrorism is the most contentious one in Indo-Pak bilateral relations. Within the framework of Composite Dialogue process, the first round of secretary level talks representing the Indian Home Ministry and Pakistani Interior Ministry was held on 10 - 11 August 2004. The talks showed the willingness of the two sides to jointly address terrorism and drug trafficking and called for the signing of a Memorandum of Understanding (MoU) to institutionalise their cooperation on these counts.<sup>39</sup> The two delegations also expressed their satisfaction over the growing cooperation between Narcotics Control Authorities of the two sides through information sharing. The second round of secretary level talks were held on 29-30 August 2005 discussing the progress made since the first round and steps which could be taken to eliminate terrorism. The home secretaries signed an agreement on 30 August 2005 on the release of prisoners treating it as a humanitarian issue. It was agreed to keep each other notified about any arrests made, provide consular access within three months of the arrest and expedite release as soon as the term of

<sup>&</sup>lt;sup>37</sup> Shaheen Akhtar, "War on Terrorism and Kashmir issue", Institute of Regional Studies (IRS), Islamabad, 2010.

<sup>&</sup>lt;sup>38</sup> Ibid

<sup>&</sup>lt;sup>39</sup> Ashutosh Misra, "An audit of the India-Pakistan peace process", p. 515.

imprisonment was complete. In these talks the proposal for cooperation between the Indian Central Bureau of Investigations and Pakistani Federal Investigation Agency was considered as well.<sup>40</sup> The third round of talks at the level of Interior/ Home Secretaries was held on 30-31 May 2006 which praised the progress made in talks between the Indian Narcotics Control Bureau (NCB) and the Pakistani Anti Narcotic Force (ANF). The meeting between ANF and NCB to jointly address the threat of drug trafficking across the International Border (IB) and LoC could be seen as significant and meaningful which shows that while the longstanding disputes still persist, the two sides can establish cooperation in addressing common challenges.<sup>41</sup> In this context, the fourth round of Home/Interior Secretary Level Talks between India and Pakistan on Terrorism and Drugs Trafficking, as a part of the continuing Composite Dialogue process between the two countries, was held in New Delhi on July 3, 2007. Both sides strongly condemned all acts of terrorism and underlined the imperative need for effective and sustained measures against terrorist activities. Both sides noted with satisfaction that the recently formed Committee on Prisoners, comprising eminent retired judges from the two countries, is a useful instrument to facilitate release and repatriation of prisoners who have served their prison sentences. Separate working groups discussed in detail the drafts of the revised Visa and Consular Access Agreements aimed at liberalizing and making existing provisions more effective. The text of the Agreement on Consular Access has been finalised. Also, they made considerable progress towards an early finalisation and signing of the Visa Agreement.

#### JOINT ANTI-TERRORISM MECHANISM (HAVANA DECLARATION)

Since the suspension of the peace process in July 2006, following the Mumbai blasts, the first formal talks came about in September in Havana, Cuba on the sidelines of the Non-Aligned Summit where Prime Minister Dr Manmohan Singh and General Pervez Musharraf agreed to revive the stalled process. At the same time India clarified that it was important for Pakistan to agree to a joint mechanism for addressing terrorism as a condition to move forwards in the peace process. Thus emerged the 'Havana Declaration' which set up a Joint Anti-terrorism Institutional Mechanism to identify and implement counter-terrorism initiatives and investigations. The first meeting of JATM (March 2007) was held in the backdrop of tragic Samjhauta Express incident and defined the parameters of bilateral anti-terror cooperation.<sup>42</sup> Second meeting of the JATM (October 22, 2007) led to the update on the information shared in the earlier meeting and resolved to cooperate with one another to identify measures, exchange specific information and assist in investigations.

On the other hand, the fifth round of Interior/Home Secretary Level Talks between India and Pakistan on Terrorism and Drugs Trafficking was held in Islamabad on 25th and 26th November 2008 as a part of the Composite Dialogue. The Pakistan delegation was led by Syed Kamal Shah, Secretary, Ministry of Interior, while the Indian delegation was headed by Mr. Madhukar Gupta, Home Secretary of India. Both sides discussed the issues related to terrorism and drug trafficking and reviewed the implementation of decisions taken during the last round.

<sup>&</sup>lt;sup>40</sup> Ministry of External Affairs, Government of India, 2005, 'Joint Press Statement at the End of Home Secretary Level Talks between India and Pakistan on Terrorism and Drug Trafficking', New Delhi, 30 August <a href="http://meaindia.nic.in">http://meaindia.nic.in</a>

<sup>&</sup>lt;sup>41</sup> Joint Statement, Third Round of Pakistan-India Interior/Home Secretary Talks on Terrorism and Drugs Trafficking, Islamabad, 31 May 2006, at <a href="http://meaindia.nic.in">http://meaindia.nic.in</a>

<sup>&</sup>lt;sup>42</sup> Shabana Fayyaz, "Indo-Pak Joint Anti-Terrorism Mechanism: Perspectives from Pakistan", Institute of Peace and Conflict Studies (IPCS), Issue Brief 126, September 2009.

They condemned terrorism in all its forms and manifestations and affirmed their resolve to cooperate with each other to combat the menace of terrorism.<sup>43</sup> The MoU on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotics Drugs/Psychotropic Substances and Precursor Chemicals and Related Matters, was initialised. However the November 26, 2008 attacks on several key places in Mumbai – the Taj and the Oberoi hotels, among other places have put a halt on the dialogue process. It seemed that a war could break out between these two nuclear weapons upstarts. Thanks to the restraint exercised by their governments as well as hectic diplomacy by the United States (US), the United Kingdom and other major players, a major disaster was averted.

#### **PROMOTION OF FRIENDLY EXCHANGES IN VARIOUS FIELDS**

Talks under the Friendly Exchanges include art and culture, education, Ayurvedic and Unani medicine, archaeology, tourism, youth affairs, sports and media. Over the years, exchanges such as cricket matches, visits by academicians, professionals, peace activists and journalists constructively contributed to building mutual understanding and friendship. Cricket has helped in bridging the divide, allowing the fans from both sides to travel to the other country to watch the match and enjoy mutual hospitality. Such exchanges have shaped peoples perceptions positively in both countries towards each other. In 1987 General Zia-ul Haq flew to Jaipur, in India, to witness a match. General Musharraf followed suit almost two decades later, coming to watch an India-Pakistan match in New Delhi during his state visit in April 2005.<sup>44</sup> Similarly on March 30th 2011, Pakistan's prime minister, Syed Yousaf Raza Gillani and India's prime minister, Dr Manmohan Singh sat side by side to watch the India-Pakistan cricket semi-final at Mohali—an act of "cricket diplomacy."

Since the resumption of the peace process in 2004, Secretary level talks representing the Indian Ministry of Tourism and Culture and Pakistani Ministry of Culture were held on the "Promotion of Friendly Exchanges in Various Fields" in New Delhi, on 34 August 2004.<sup>45</sup> The next round of meetings was held on 26-27 July 2005 in Islamabad. On 1-2 June 2006, the third round of Secretary-level talks between India and Pakistan were held in New Delhi. Badal K. Das, Secretary, Department of Culture, Ministry of Tourism and Culture represented the Indian side and Jalil Abbas, Secretary, Ministry of Culture represented the Pakistani side. They reviewed the progress in the field of Friendly Exchanges and looked at issues such as raising the number of pilgrims who seek to visit religious shrines on both sides and easing visa regulations for delegations and individuals who want to visit their relatives on both sides.

# TRANSPORT LINKS

In order to enhance cross-border movement of people to meet their long divided families and relatives, India and Pakistan agreed to start a number of bus services.

<sup>&</sup>lt;sup>43</sup> Joint Statement issued at the end of the Home/Interior Secretary level talks between India and Pakistan in Islamabad on 25-26 November 2008, Ministry of External Affairs, New Delhi, November 26, 2008.

http://www.satp.org/satporgtp/countries/india/document/papers/ind\_pak\_jstmnt\_26nov2008. htm

<sup>&</sup>lt;sup>44</sup> Ashutosh Misra, "An audit of the India-Pakistan peace process", p. 521.

<sup>&</sup>lt;sup>45</sup> Joint Press Statement on 'India-Pakistan Discussion on Promotion of Friendly Exchanges in Various Fields', New Delhi, 4 August 2004, at <a href="http://meaindia.nic.in/declarestatement/2004/08/904js01.htm">http://meaindia.nic.in/declarestatement/2004/08/904js01.htm</a>

These included Srinagar-Muzaffarabad which started on 7 April 2005, Poonch-Rawalakot on June 19 2005 and Amritsar-Nankana Sahib on January 20, 2006. It has also been agreed to start truck trade on the Srinagar- Muzaffarabad and Suchetgarh-Sialkot. In addition, the Delhi-Lahore train service resumed on 11 July 2003 (suspended in December 2001 following the terrorist attack on the Indian Parliament) and Kokhrapar-Munabao service on 18 February 2006 (defunct since the 1965 war). The Srinagar-Muzaffarabad bus service was a watershed in Indo-Pak relations. Initially, the talks were stalled over the modalities pertaining to travel documents with Pakistan insisting on United Nations documents and India on passports as travel documents. Pakistan also demanded the bus service be limited to Kashmiris, as opposed to India's proposal to open it for all Indians. Eventually in February 2005 in Islamabad, the two Foreign Ministers Natwar Singh and Khursheed Mahmud Kasuri signed the agreement overcoming the differences on travel documents and domicile of the passengers. The bus service was inaugurated on 7 April 2005 but was opposed by political parties in Pakistan such the Pakistan Muslim League-Nawaz (PML-N) and Jamaat-e-Islami (JI) who argued it would dilute the 'core' issue of Kashmir.

On 2 June 2005 moderates belonging to the All Party Hurriyat Conference (APHC) in Jammu and Kashmir led by its Chairman Mirwaiz Umar Farooq boarded the bus to visit leaders in Pakistan Administered Kashmir and Islamabad. The visit drew flak from the United Jihad Council (UJC) leader Syed Salahuddin and hardliners in Srinagar, with an unfazed Mirwaiz criticizing the hardliners on both sides saying:

"For fear of being labelled as treacherous should we sit at home and repeat the song of UN resolutions. One lakh people have already lost their lives. Should we wait for the sacrifices of another lakh people before we begin to look at the other possible ways to resolve the issue? There are people in Kashmir who considered talking to New Delhi as treachery. Now we are being told that even visiting Pakistan amounted to treachery. It is high-time the word treachery is re-defined [...] when we return to Kashmir, we need to redefine certain things [...] certain words and phrases."<sup>46</sup>

#### **CHALLENGES AHEAD**

The fact remains that India-Pakistan relationship has been and rather remains complex and variable. There are limited people-to-people contacts that may contribute to overcoming the negative perceptions that many Indians and Pakistanis have for each other. Most contacts other than family reunion are restricted to members of a small, middle-to-upper class elite prepared to endure the demanding visa and entry regimes. Indians and Pakistanis also have limited and difficult ways of accessing one another, with few flights each week between the two nations and even fewer border crossing points along their long border. There is one road crossing (Wagah-Attari) and two rail crossings (Wagah-Attari and Munabao-Khokrapar). Nevertheless, the Composite Dialogue shows that India-Pakistan relations are advancing slowly, although it seems unlikely that there will be any ground breaking agreements in the short- to medium-term.

Furthermore, India and Pakistan seem to have different approaches to the Composite Dialogue. For Pakistan, its desire appears to be to get India to agree as soon as possible to resolve some of the serious issues that have bedevilled the India-Pakistan relationship. It reflects Islamabad's desire and need to achieve something concrete, given the significant compromise that Pakistan made by renouncing its

<sup>&</sup>lt;sup>46</sup> Ashutosh Misra, "An audit of the India-Pakistan peace process", p. 521.

long-held stance to resolve the 'unfinished business of partition', the Kashmir dispute, as a prerequisite to entering into a more involved and complex relationship with India. For India, the idea seems to be to 'hasten slowly' and build up strong economic links. This, arguably, has always been India's stance, although New Delhi also has compromised by agreeing to actually discuss the Kashmir dispute in a meaningful way as part of the India-Pakistan Composite Dialogue.

The biggest problem between India and Pakistan currently is the absence of trust. Anything that addresses this trust deficit is, therefore, helpful in the way forward. In this regard let me recall what former Indian Prime Minister Mr. Vajpayee had said during a debate in the Lok Sabha: that "you can change history but not geography." Prime Minister Dr Manmohan Singh echoed similar sentiments in a debate in the Lok Sabha, where he said: "As neighbours it is our obligation to keep our channels open. Unless we want to go to war with Pakistan, dialogue is the only way forward."<sup>47</sup> In this situation of distrust, the political leadership in the two countries should show political will to resolve the outstanding issues.

#### CONCLUSION

The Indo-Pak composite dialogue is a desirable approach but is prone to derailment if attempts are made to find instant solutions to old and complex problems. There is no alternative to an incremental peace process through political, economic and military confidence building measures. Dramatic gestures or a few summit meetings between top leaders cannot bring peace, which is only possible incrementally. The main achievements of the composite dialogue process have been in the area of CBMs designed to enhance India-Pakistan contacts and connectivity. It needs recognition that the dialogue process has not succeeded in resolving any of the major issues in disputes like Jammu and Kashmir, Siachen, Tulbul Project or Sir Creek. Progress on these essential issues has been thwarted by the unreasonable positions and mutual distrust of one another. The success of the composite dialogue process depends entirely on the importance both states give to it. Regardless of how contentious the issues may be, so long as the participants are determined to remain engaged and work sincerely together, the process will bear fruit.

There are compelling reasons why India should pro-actively engage with Pakistan. First, a tension-free relationship with Pakistan would help India to consolidate its nationhood, the bonding adhesive of which is secularism. Second, the issue of terrorism can be effectively tackled only in cooperation with Pakistan and not in confrontation with it. Third, India will not be able to play its due role in international affairs so long as it is dragged down by its quarrels with Pakistan.

Equally is it in Pakistan's interest to seek accommodation with India for three counterpart reasons. First, the Indian bogey has harmed rather than helped consolidate the nationhood of Pakistan. Second, Pakistan is unable to become a full-fledged democracy and a sustained fast-growing economy owing to the disproportionate role assigned to alleged Indian hostility in the national affairs of the country. And, third, on the international stage, Pakistan is one of the biggest countries in the world and instead of being the front-line in someone else's war perhaps deserves to come into its own as the front-line state in the pursuit of its own interests.

<sup>&</sup>lt;sup>47</sup> Khurshid Mahmud Kasuri, "Kashmir solution-an imperative for peace", Times of India, May 03, 2010.

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