

The search for peace - Pakistan and India

*Mohammad Waqas Sajjad, Mahwish Hafeez and Kiran Firdous**

Section I: Introduction

It is axiomatic that Pakistan and India share a turbulent and complex, if also short, history. While the dynamics of the relationship may shift from time to time, numerous existential issues remain in place. Characterised by mistrust, contrasting interests and the oft-quoted ‘missed opportunities’, the bloodshed of 1947 has been replaced by a more diverse set of issues that continue to mar the relationship. Kashmir has come to exemplify the classic case of a territorial dispute between neighbouring countries in the modern world composed of nation States. Extended hostile periods have only been sporadically separated by periods of relative peace – interludes that many hoped would prolong into perpetuity. But failures of State, internal conflicts, deep-rooted differences and perhaps unavoidable circumstances have meant that these spells of tranquillity remain mere specks of light in an otherwise dark corridor, at best offering missed opportunities.

In studying the Pakistan-India ties, it is simplistic but also convenient to divide them into phases with regard to important junctures in South Asian history. None of the occasions that gave rise to optimism could ultimately become the watershed they were built up to be. The most recent such case was in 2004; following a prolonged period of military standoff, there began a ‘peace process’ led by President Musharraf and Prime Minister Vajpayee. This phase was significant since it allowed for a more systematic approach to negotiations by adopting the concept of “Composite Dialogue” that covered various issues that have continually hindered progress on even seemingly non-contentious fronts.

A move away from a traditionally line of control- (LoC) and Kashmir-centric policy, it called for a number of concerns to be brought to the table and economic cooperation to be enhanced.¹ While the strategic imperatives and finer points of this process will be discussed later in this study, it is relevant to say here that even though progress was made on multiple fronts, enthusiasm waned as the momentum died out perhaps due to the more pressing internal political turmoil in Pakistan.

However, the process did expose some important aspects of the relationship. One, it established that progressive talks and meaningful solutions were not just desirable, they were also possible. And two, it exhibited a lack of political will, or more suitably, the political constraints, in both countries that prevent agreeable solutions from being implemented. This was clear for instance in the case of the Sir Creek² and Siachin issues where significant progress through collaboration could not be translated into concrete agreements. Similarly, when a proposed visit to Islamabad by Prime Minister Manmohan Singh, as part of this process, could not materialise,³ progress was further derailed.

Thus, if one divides the relationship into phases, the current phase succeeding the aforementioned period of peaceful, if not altogether successful Composite Dialogue, begins with the terrorist attacks in Mumbai on November 26, 2008. While this signalled an instant breakdown

* *Mohammad Waqas Sajjad is Acting Director (South Asia); and Mahwish Hafeez and Kiran Firdous are Research Fellows at the Institute of Strategic Studies, Islamabad.*

of talks, the irony was that Pakistan's foreign minister was present in New Delhi at the time in order to help revive the deflated process of dialogue.⁴

It is widely acknowledged that only effective diplomacy, on both regional as well as global levels, prevented the situation from reaching a complete meltdown. However, subsequent suspension of dialogue ensued and that has only recently been revived in 2010. While this does not mean that all communications died out, it did signal an end to an official exchange of views, particularly the Composite Dialogue.

Ever since the attacks, with the international pressure and attention garnered by India, militancy in Pakistan has been under intense scrutiny. For Pakistan, this opened a new chapter in its own policy framework on dealing with terrorism. Since February 2010, when foreign ministers of both countries met in India after a period of fourteen months for what turned out to be 'talks about talks', a clear divide between priorities has been established.

India's stance on Pakistan's alleged State policy of supporting militants and on dealing with certain individuals and groups, whose name has been linked to the Mumbai attacks, is paramount to all other areas of negotiations as far as New Delhi is concerned. Pakistan's priorities remain the more traditional long-standing issues such as Kashmir and water security. Moreover, there is insistence from Pakistan for a more structured rather than uni-dimensional dialogue, since otherwise only superficial talks with no concrete results will emerge. Ironically, some suggest that the current positions are paradoxical since it was actually India that had benefited from the Composite Dialogue process.⁵ This nonetheless remains a minority opinion as both countries remain adamant in their positions.

Confusions reign supreme. After the 16th SAARC summit in Bhutan in April 2010, there has been a revival of sorts that some see as a resumption of the Composite Dialogue 'for all practical purposes' even as the term itself has been avoided.⁶ For others, this is simply a continuation of erstwhile stubborn attitudes and signifies no progress on any front. Even as intent for dialogue as the only way forward has been appreciated, there are no solid foundations, proposed framework or clear guidelines as to how talks will proceed. Future talks between foreign ministers of both countries are expected to bring some coherence to negotiations.

However, additional complications arise from, for instance, the case of Ajmal Kasab, the sole captured terrorist from the group that was involved in the Mumbai attacks who has now been charged by Indian courts amid great public and official outpouring against Pakistan. Moreover, with the failed bombing attempt in New York's Time Square by a Pakistani that once again highlights terrorist outfits in the country,⁷ there are concerns that the process of negotiations with India will be derailed before it even begins since Pakistan remains in the Indian narrative as an 'epicentre' for terrorism.⁸ In these circumstances, Indian insistence of terrorism being the focal point of all discussions has only strengthened, although the language used may have mellowed since the two countries are preparing to embark on another process of building bridges.

In this study, we aim to assess the current state of Pakistan's relationship with India covering some of the most important issues, not all of which may have been on the forefront in the post-Mumbai phase. In the next section, the political process and engagements between representatives of the two countries since the attacks will be addressed in addition to progress made on the military front. Section III will cover recent dynamics of terrorism in India-Pakistan relations followed by the contentious long-standing issues of water and Kashmir, respectively. In section VI, the more marginalised area of trade as a consequence of, or motivator for, peace will be analysed before concluding the study.

It is important to understand both bilateral and multilateral considerations in India-Pakistan ties, so that after a long period of sixty-three years, the curse of ‘missed opportunities’ is finally broken. While not attempting to scrutinise any single area specifically, and with the admission that some important issues have been ignored for the sake of limiting the argument to contemporary debate, this study hopes to add to a cautiously developing platform for a roadmap for peace. And, it is in this context that it should be read.

Section II: Mumbai 2008 and beyond

At the outset, it is relevant to discuss the events that have dominated headlines in both Pakistan and India, and have been the juncture from which starts a new phase in a troublesome relationship. On November 26, 2008, a group of militants simultaneously attacked multiple targets in Mumbai, killing around 183 people, including nine terrorists and 22 foreign nationals, while some further 327 people received injuries.⁹ Although relations between India and Pakistan had already been strained following a suicide attack on the Indian Embassy in Kabul on July 7, 2008 that had killed over 40 people including the Indian defence attaché, these attacks in Mumbai served as a nail in the coffin as all fingers pointed to Pakistan.

Such was the rage in India that suggestions of military action against Pakistan were floated, while the saner voices advised covert action as against any hasty and rash decisions that could potentially lead to unprecedented catastrophic consequences. Option of a military strike was ruled out by the Indian government, but on December 16, 2008, Foreign Minister Pranab Mukherjee announced that the Composite Dialogue process with Pakistan was to be put on hold until credible action is taken against those responsible for the Mumbai carnage.¹⁰ Since then, there has been hardly any vacillation from this stance.

Pakistan’s repeated protests that an incident of terrorism, howsoever drastic, should not be allowed to spoil a working process, fell on deaf ears. Following the 2009 Lok Sabha elections that saw the United Progressive Alliance (UPA) coming back to power, there were high hopes that India would show some flexibility. However, on June 16, 2009, on the sidelines of a Shanghai Cooperation Organisation (SCO) summit in the Russian city of Yekaterinburg, Prime Minister Manmohan Singh on meeting President Zardari, flouted traditional norms of diplomacy, saying that, “my mandate is to tell you that Pakistani territory should not be used for terrorism against India”¹¹ in the presence of the international media.

Unsurprisingly, the incident was not taken well in Pakistan, and in a statement made in the Senate, Minister of State for Foreign Affairs Malik Amad Khan made it clear that the comments were unacceptable to Islamabad.¹² In response, Pakistan decided that the president would not participate in the upcoming Non-Aligned Summit (NAM) in Egypt and instead Prime Minister Yousuf Raza Gillani would lead the country’s delegation. It had been decided earlier that the foreign secretaries of both countries would meet to discuss the steps taken by Pakistan to check terrorism against India before a possible Singh-Zardari stock-taking meeting in Egypt.

Nevertheless, things were looking up when on July 16, 2009, Gillani met with Singh in the Egyptian city of Sharm-el-Sheikh on the sidelines of the NAM summit. The meeting concluded with the issuance of a joint statement in which both countries agreed to de-link action on terrorism and the Composite Dialogue process. It clearly stated that “both Prime Ministers recognized that dialogue is the only way forward. Action on terrorism should not be linked to the Composite Dialogue Process and these should not be bracketed.”¹³

This statement received mixed reaction in both countries. In Pakistan, the aspect of de-linking dialogue and action on terrorism was praised and perceived as a positive development. On the other hand, the Indian premier had to face severe criticism not only from Opposition parties but also from coalition partners and some members of the Congress party. Dubbing the statement a ‘surrender’ by India,¹⁴ Opposition parties, particularly the Bharatiya Janata Party (BJP), made such a hue and cry that Singh was forced to backtrack from the commitment made in Sharm-el-Sheikh. The very next day, in order to clarify his position, he stated that de-linking dialogue and action on terrorism only served to strengthen India’s commitment that a meaningful process of engagement cannot move forward unless Pakistan takes measures to control terrorism.¹⁵

Similarly, a reference to Balochistan in the joint statement was also criticised in India as it was perceived as an acknowledgement of its alleged role in the Pakistani province. Singh defended himself by saying that India had nothing to hide and that the statement was perhaps a case of bad drafting. In Pakistan, the reaction to the inclusion of Balochistan was seen as a great success, but at the same time an absence of any reference to Kashmir was also highlighted.

The following months saw growing tensions as Pakistan witnessed a tirade of allegations from India, unsurprisingly with terrorism as the central theme. Ranging from allegations and issues such “forty-two terrorist camps operating in Pakistan”,¹⁶ rise in infiltration to India,¹⁷ exporting terrorism and using it as a State policy to further its strategic goals and targeting Indian interests in Afghanistan,¹⁸ the narrative emerging from India adopted an accusing stance that supposed a lack of interest in tackling terrorism that targeted India. There were also occasional threats given to Pakistan, albeit coming from various sources and covering different levels of intensity, of dire consequences if another Mumbai-type attack was to take place.

The former Indian Chief of the Army Staff General Deepak Kapoor also came forth and announced his provocative Cold Start strategy which aims at quick mobilisation in order to launch a retaliatory strike against Pakistan in case of a terrorist attack. The war doctrine, which had been in place before the attacks took place and was now re-emphasised, seeks to make territorial gains 50-80 kilometres inside Pakistan which could be used in post-conflict negotiations to extract concessions.¹⁹

Indian intentions, coupled with its military strength, have consequently led to much debate in Pakistan. Not surprisingly, references to its defence spending have been highlighted. It is interesting to note that India is currently the tenth largest defence spender in the world with an estimated two per cent share of global expenditure.²⁰ It has earmarked a massive amount of money for a modernisation programme of its armed forces and has inked agreements with other countries worth billions of dollars. However, it vehemently opposes any such agreement for Pakistan. Recently, France finalised a \$2.2 billion deal with India to upgrade its fleet of Mirage 2000 fighters, but suspended the sale of electronics and missiles for Pakistan’s JF 17 fighters, reportedly under “Indian pressure.”²¹

Renewed incidents of firing on both at the line of control (LoC) and the international boundary also served to escalate tensions. However, despite Pakistan’s accusing India of creating unrest in Balochistan and FATA through its consulates in Afghanistan, it also continued its efforts towards a process of dialogue. There were also growing voices in India that advocated the opening of some kind of channel of communication since there was a realisation that complete breakdown was not serving its purpose anymore. However, strong public opinion and an aggressive stance taken by Opposition parties prevented early engagement with Pakistan. According to the Indian media as late as January 2010, Prime Minister Singh discussed his desire

to restart dialogue with Pakistan with three BJP leaders but met stiff resistance and decided against taking such a step.²²

However, the thaw finally came when on February 4, 2010 India formally offered to resume foreign secretary-level talks with Pakistan.²³ Without clarifying the scope of the proposed discussions, Indian Foreign Secretary Nirupama Rao invited her Pakistani counterpart Salman Bashir for talks to New Delhi. It was claimed that the offer had been made with an open mind, and official sources made it clear that while India would be willing to discuss all issues including Balochistan, its sole focus would be on terrorism. It was also stressed that this revival of a bilateral relationship should not be seen as resumption of the Composite Dialogue.

A behind-the-scene role played by the U.S., as well as the emerging situation in Afghanistan, were perhaps the main reasons behind this Indian decision. Besides, there was also a tacit realisation that coercive diplomacy had run its course and was now counterproductive for India; indeed it was felt that by establishing ‘measured contact’, India would be able to put more pressure on Pakistan.²⁴ An unstructured dialogue such as the one on offer would help present terrorism as the core issue without giving Pakistan an equal chance to raise other issues.

Welcoming the move, Pakistan accepted the offer and a delegation went to New Delhi on February 24, 2010 with the hope of recreating an atmosphere of friendship. During the meeting, India handed over three dossiers to Pakistan and demanded that thirty-three individuals, including two serving Pakistan army officers as well as Indian fugitives allegedly involved in terror acts, be handed over to India. Repeated references to terrorism were always likely to lead to inconclusive talks. And, indeed, this was exactly what forced the Pakistani foreign secretary to remind India that his country had witnessed “hundreds of Mumbais” and lost 5,366 civilians in 3,043 terror attacks since 2008 and, therefore, was not ignorant of the dangers of terrorism.²⁵

The delegation had gone to New Delhi with a roadmap with guidelines leading to a potential resumption of the Composite Dialogue, including an invitation for External Affairs Minister S.M. Krishna to visit Pakistan. The proposal envisaged, or rather recommended, that the February meeting lay the ground for future discussions between Prime Ministers Singh and Gilani that could take place on the margins of a SAARC meeting in Bhutan in late April, where resumption of the Composite Dialogue could be announced through a joint statement. However, India was more interested to broaden the discussion at official levels first, and suggested a ‘technical meeting’²⁶ to improve cross-LoC trade, a meeting between commerce secretaries to carry forward discussions on trade issues and a session of the Indo-Pakistan judicial committee for release of prisoners and fishermen.

The meeting visibly failed to melt the ice and both officials decided to conduct press briefings separately, indicating that talks had not progressed as desired and this opinion was strengthened as the two made counter-claims regarding the issues discussed. Rao claimed that 85 per cent of talk time had been taken up by terrorism and the remaining by eleven other issues. She insisted that Kashmir was only briefly touched on, and Afghanistan was not discussed at all. On the other hand, Bashir categorically stated that Kashmir had been discussed “extensively” since it is the core issue and one that cannot be left out.

A lack of trust between the two countries limited the task of the foreign secretaries and there was no consensus on a potential roadmap to resumption of a composite or any structured dialogue process for the future. India’s sole focus on terrorism can be gauged by the fact that Pakistan had to make last-minute changes in its delegation, leaving behind members from interior and water and power ministries due to Indian insistence.²⁷

Pakistan strongly advocated resumption of the Composite Dialogue with India stressing that it was “unfair, unrealistic and counter-productive”²⁸ to allow the issue of terrorism to stall the process of improving relations. However, much to the disappointment of Pakistan, the Indian foreign minister responded that “the resumption of such a process would have to await the restoration of greater trust and confidence.”²⁹ The only positive outcome of these talks then, was a commitment to further engagement.

As expected, the decision to hold talks with Pakistan met severe criticism in India. All major political parties came down hard on the government and alleged that it had bowed to U.S. pressure. However, the prime minister defended his stance by saying that the decision was not sudden but a “calculated” move after weighing all the costs and benefits.³⁰ During March 2010, India repeatedly expressed its desire to conduct a second round of foreign secretary-level talks in Islamabad. However, Pakistan made it clear that it was not interested in a mere photo opportunity and wanted result-oriented talks that discussed all outstanding issues.

In this backdrop, the aforementioned SAARC summit was held in Bhutan from April 28-29, 2010 and it led to a meeting between the two prime ministers, although both countries gave mixed signals till the last moment. This came soon after a 47-nation summit on nuclear security that had taken place in Washington in early April. Referring to the exchange of pleasantries that had occurred during that meeting, Pakistan’s foreign minister insisted that both India and Pakistan “need to go beyond a handshake.” He further demanded that India stop demonising Pakistan since terrorism is a challenge common to both countries.³¹

However, pressure from the U.S, as well as from SAARC members played a vital role in bringing the two countries to some sort of an agreement in Bhutan. The two leaders had three meetings, including a one-on-one discussion that lasted over an hour. What emerged was an agreement that there was lack of trust that necessitated dialogue. In order to pacify Opposition parties and the general public, terrorism and prosecution of terrorists allegedly involved in the Mumbai attacks were issues highlighted by Manmohan Singh, to which the Pakistani premier responded by giving assurances that terrorism was a threat that the country is working against.

Both countries also agreed that foreign ministers and foreign secretaries meet as soon as possible to work out modalities for future course of talks and restore trust. Dispelling the notion that this might lead to a resumption of the Composite Dialogue, Indian officials made it clear that a move to resume a dialogue that had existed before the Mumbai attacks would make no sense³² since a new method of engagement needed to be introduced.

It is argued that Pakistan’s assertion that it cannot give guarantees against another Mumbai-like attack in India goes against the spirit of the January 6, 2004 joint statement between the then Prime Minister Atal Bihari Vajpae and former President Pervez Musharaf which formed the basis for the resumption of Composite Dialogue. It is also being said that Pakistan’s action against those accused in the Mumbai case will shape the contours of future engagement.³³ Terrorism, then, has remained a necessary focal issue.

Taking the spirit of Bhutan forward, Nirupama Rao visited Islamabad on June 24, 2010 and met her counterpart Salman Bashir to set an agenda for a meeting between the foreign ministers in July. However, prior to the meeting, India made it clear that Pakistan’s willingness to build on progress made by the two countries in back-channel diplomacy on Kashmir would be viewed favourably. The meeting was held in a cordial atmosphere as both the countries pledged to work together to reduce the trust deficit.

The talks, as Rao put it, “provided an opportunity to talk to each other and not at each other.”³⁴ Both sides exchanged proposals on issues that were deemed deliverable during the foreign ministers’ meeting in July. While India’s proposals dealt with trade and humanitarian issues, Rao also asked Pakistan to ensure that Lashkar-e-Tayyiba (LeT) chief Hafiz Saeed is prevented from issuing anti-India statements or making contentious speeches. At a joint press conference, both confirmed that all main issues had been taken up for discussion. The talks, according to Bashir, began as an exploratory venture, but “after this round, we are much more optimistic of good prospects at the foreign ministers’ meeting.”³⁵ Rao too described the talks as forward-looking with both sides trying to understand each other’s position.

On the heels of her visit, Indian Home Minister P. Chidambaram also flew to Islamabad to attend a SAARC Interior Ministers’ conference, and met Pakistan’s Interior Minister Rehman Malik. He reiterated the Indian position, insisting that Pakistan bring to justice all the 26/11 plotters, including Hafiz Saeed. He also asked Pakistan to hand over voice samples of all seven LeT terrorists who have been in Pakistani jails for their involvement in 26/11 as ‘a first step’ towards restoring confidence. He demanded that Pakistan step up efforts to locate and arrest thirteen absconders who had been found guilty by Indian courts, and Pakistan on its part assured full cooperation.

Since the two sets of meetings, India has been continuously insisting that Pakistan take some credible action before the visit by Foreign Minister S.M. Krishna as it was “an important test of Pakistan’s willingness to act against terrorism directed at India.”³⁶

Although the fruits of these high-level contacts and the durability of this new phase of dialogue is still open to assessment, it is interesting to note that India, while agreeing to discuss all issues of concern to Pakistan, is hesitant to call this resumed dialogue a return to the Composite Dialogue since it does not wish to appear to be returning to its old position. Pakistan, on the other hand, had been strongly advocating resumption of the earlier process, but has nevertheless welcomed the resumption of a dialogue as long as all issues of mutual concern are discussed in a meaningful manner.

Good neighbourly relations between India and Pakistan would benefit the entire region. Since both countries have decided to restart a dialogue process, it must be ensured that it is sustained and that the bilateral relationship is not held hostage to a single incident of terrorism. It must be kept in mind that terrorism is a global phenomenon and to fight this menace, the world community - particularly countries in South Asia - need to work together. The issue of terrorism, as has been raised in the discussions between both countries examined in this section, will now be examined more deeply, specifically in the way it has affected the relationship since the events of 26/11.

Section III: Terrorism in India-Pakistan ties

Ajmal Kasab, the protagonist of the saga that followed on from the terrorist attacks on Mumbai in November 2008, was sentenced to death by Indian courts in May 2010. The verdict has in that country been hailed by the media and politicians alike, with Law Minister Mooliy terming it a message to Pakistan to abandon its “State policy of terrorism”.³⁷ A similar statement by Home Minister Chidambaram also makes for ominous reading, warning Pakistan to refrain from “exporting” terror to India.³⁸

It does not take much for one to conclude then that hostility with regards to terrorism is central to understanding the current state of affairs. That these comments come after a dialogue of sorts has begun, shows that the air surrounding any engagement is not yet completely clear. While Kasab, the sole surviving terrorist, who after initial reluctance had been confirmed as a Pakistani citizen,³⁹ has now been charged in Indian courts; the saga is far from being over.

Questions of alliances between people and groups across borders, the role of militant groups; specifically the infamous Lashkar-e-Tayyiba (LeT), attackers' training and planning inside Pakistan and the roles of the State and Inter-Services Intelligence (ISI); have since provided the framework within which the Indian response has been based. For our purpose it is important to understand three major aspects of the entire debate. Firstly, how Pakistan has dealt with the terrorists related to the attacks; secondly, Indian perception of Pakistani actions; and thirdly, the people and groups – most notable LeT – named and brought up as part of the alleged and confirmed terrorist groups.

While terrorism has long been a constant part of any India-Pakistan discourse, it has only recently become the primary talking point. Since the Mumbai attacks, perhaps this was inevitable. However, a cynical Indian policy of maligning Pakistan and making repeated references to alleged State sponsorship of terrorism in order to gain international sympathy, have done considerable damage to the relationship. The rhetoric of Pakistan's being the "epicentre" of extremism and terrorism dominates the jargon designed for the Indian narrative, and the global response clearly shows not just the importance of external actors, but also the success of Indian policy.⁴⁰ This has, according to some analysts, broadly covered a two-pronged strategy for coping with terrorism in Pakistan – one, using coercive diplomacy by moving troops from peacetime locations to positions closer to the border, and two, through the aforementioned tough statements by civilian and military officials.⁴¹

While rumour mills among masses, and of late also a largely independent and expressive media, have traditionally blamed actors from across the border for mishaps in both countries, events of Mumbai have brought this to an official platform with even the Indian premier blaming "agencies" in Pakistan.⁴² There has been an overwhelming consensus in India that Pakistan is not inclined to pursue those involved in the attack; the role of the ISI is brought up specifically in its alleged historical ties with groups like the LeT. Indeed, the intelligence agency has been suggested to have played a "direct role guiding Lashkar-e-Tayyiba" in Mumbai attacks.⁴³

This is even more worrisome since talks between the two countries have had no extensive framework since then. While Pakistan has been pushing for a structured dialogue, Indian focus has solely been on terrorism – more specifically, Pakistan's attitude to terrorism and its commitment, or lack of commitment, in dealing with the masterminds of the Mumbai attacks. The LeT and its members, with alleged leader Hafiz Muhammad Saeed being the most sought-after individual, dominate this terrorism debate.

Strongly denying Indian criticism, Pakistan claims to have been working adequately, even attributing delays in investigation to India.⁴⁴ Accepting that Kasab was a Pakistani citizen, there was an implicit acceptance also of the fact that training and planning had taken place in the country. The arrest and subsequent release of Hafiz Saeed is seen by India as a masquerade, based on allegations of the ISI supporting LeT.⁴⁵ However, anti-terrorism courts are already hearing prosecution arguments against seven men captured in November 2009 for their involvement in the said attacks. The most prominent of these, Zakiur Rahman Lakhvi, is believed to be second-in-command of the LeT. Moreover, arrest warrants have been issued for nine others charged in absentia.⁴⁶

For his part, the enigma that is Hafiz Saeed has had his mystique further enhanced by assuming the leadership of Jamaat-ud-Dawa (JuD), a religious charity organization that is deemed to be a front cover for the LeT. JuD has been officially banned due to UN interjection but continues to garner respect in Pakistan due to its charitable activities. Hafiz Saeed has in fact distanced himself from the LeT in a private interview, even condemning the Indian attacks in the process and claiming that he has been a victim of Indian propaganda.⁴⁷

The Indian focus on Hafiz Saeed and the belief that he still heads the LeT remains intact.⁴⁸ This has come up time and again; the most glaring example being the occasion of foreign secretary-level talks in February 2010 when his freedom was openly criticised.⁴⁹ More recently, Pakistan's foreign minister termed Indian demands for his arrest as the "same old beaten track", noting that the legal system was leading the process in Pakistan.⁵⁰ Regardless of that, as late as July 2010, before the foreign ministers meet in what is expected to be a return to comprehensive dialogue, Indian officials continue to stress extradition of certain alleged terrorists among other demands regarding the capture of LeT members including Saeed.

This Indian pressure is troublesome for Pakistan since after the UN declared JuD a terrorist organization, it was banned and Saeed was captured before the court decided to release him and dismiss charges against him. It is even more worrisome since the criticism comes at a time when the judiciary is experiencing unprecedented independence in the country.

For India, Pakistan's alleged State policy of at worst supporting terrorism and at best adopting a relaxed attitude to fighting it, is manifest in its reluctance to comprehensively dismantle the LeT and sentence Hafiz Saeed. While some members of the banned LeT are undergoing trial, Pakistan has failed to convince India of its commitment. LeT, a banned organisation as it is, is seen as a low priority even as the country is involved in counterterrorism operations.

Other groups including Al Qaeda, the Tehrik-e-Taliban Pakistan and the Afghan Taliban are seen as requiring more immediate attention as far as Pakistan's security is concerned.⁵¹ Punjabi groups such as the LeT have in the last decade not been prioritised in comparison. While chances are that this trend is changing as Punjab-based organisations face severe criticism from inside the country and it appears that a large-scale showdown against these is possible, if talks between India and Pakistan remain uni-dimensional in focusing on the LeT, they ignore other larger dimensions of security threats to Pakistan.⁵²

Taking down the LeT has nonetheless been the mantra for those who believe that Mumbai needs to represent a decisive turning point in the regional battle against terrorism.⁵³ It is hence relevant to discuss briefly the dynamics of the Lashkar.

Increasingly, it is being seen as the most important group after Al Qaeda in terms of its global reach, even though it is still based in Pakistan and has only Pakistani members. Founded in 1987, alleged State support led to a steady flow of finances and volunteers as its initial role in Afghanistan gradually evolved into Kashmir-centricism. It has reportedly been part of a network that aims to destabilise India since 1993 where it has "literally launched hundreds of attacks"; now, its interest in Afghanistan make it an organisation of interest to the U.S. as well.⁵⁴

Allegedly nurtured by State patronage for influence in Kashmir and Afghanistan, the LeT was banned in 2002 and has since outgrown its reported State sponsors. Indeed, "more than any other group, LeT encapsulates the complicated history of intertwined relations between Pakistani

security services and ideologically-driven militants.”⁵⁵ However, since it is now recognised that proxy fighters will not lead to a settlement in Kashmir, Pakistan may possibly try to eliminate the group using a gradualist approach – arresting members and banning JuD might have been the first steps already taken to reach such an eventuality.

With an overall focus on Kashmir and India, this mainly Punjabi outfit shares a rocky relationship with other militant groups due to ideological differences, a reluctance to join in the Afghan jihad and alleged close ties with the military. With no militant allies, LeT remains susceptible to State pressure even if it has outgrown State control and so refrains from launching attacks inside Pakistan. Lately, however, it has reportedly increased its presence in Afghanistan and FATA under the banner of JuD with aims to infiltrate fighters in Afghanistan, using its charitable venues for recruitment.⁵⁶

While India remains its primary concern, there are members within the LeT who are believed to be providing support to the Pakistani Taliban. Lately, evidence of support from the Gulf countries, the U.K., America and Australia has appeared to make it a more dangerous organisation with a global agenda – David Headley’s capture in the USA being a case in point showing LeT’s global reach. While this is still debatable; what is certain is that India remains its priority even if its “peripheral jihad” has in some ways expanded to the West.⁵⁷

While there are signs of Pakistan’s cracking down on the group, a gradualist approach may not be acceptable to India. There is even an argument that for Pakistan, the risk of escalating violence that is sure to accompany swift action, may be well worth taking if it leads to peace with India.⁵⁸ Events since Mumbai have made the Indian position stronger. While initially it had tried to engage Saudi Arabia and the U.S. to gain sympathy against the LeT, there had been only superficial reciprocation since the Al Qaeda and Taliban offered a bigger threat to these countries;⁵⁹ now, however, events may have caused a shift in the discourse on LeT.

Favoured by the army due to its Punjabi character and State loyalty, it is claimed that it was given all kinds of support and has now grown in part due to its charity wing JuD from whose finances and resources are siphoned off. As a result, its autonomy from the ISI has increased and it now requires only specific support – including safe havens, intelligence and campaign guidance rather than finances.⁶⁰

May 2010 has been an eventful month; in India, a “historic trial” with many “legal firsts” has seen the death penalty and imprisonment for life for Kasab. At the same time, individuals are being tried in Pakistan and the Pakistani-American David Headley in the U.S.⁶¹ Cautious voices cognizant that the Kasab trial is a mere piece in the jigsaw have warned against enthusiastic claims of victory since this is just the beginning of a long process.⁶² However, where it goes from this point is still not clear.

India and Pakistan did appear to be moving in the right direction in July 2009 with Prime Ministers Singh and Gilani issuing a joint communiqué after meeting in Egypt. As noted earlier in this study, this was seen as a diplomatic victory for Pakistan and the Indian premier faced much backlash from the public and political parties – including his own – for being too soft on the issue of terrorism and not making it the focal point of further discussions.⁶³

The much publicized foreign secretary talks in Delhi in February 2010 were also inconclusive, if not altogether demoralising. The necessity of engagement was apparent; Nirupama Rao admitted this much when she noted that “dialogue between India and Pakistan is obviously the way forward for normalisation of relations and to resolve outstanding issues

between the two countries. We in India have never turned our back on dialogue with Pakistan. But let me also add that terrorism is a stand-alone phenomenon that affects the climate of dialogue.”⁶⁴

Needless to say, the climate at the talks was also adversely affected and was noticeable in the aftermath, with Pakistan’s foreign secretary reminding dissenters that Pakistan had suffered tremendously from terrorism and was a victim rather than a sponsor. More unusual was the public display of antagonism, with India being clearly irate with Pakistani dealing with the Mumbai perpetrators and the fact that Hafiz Saeed is still free, and Pakistani officials coming out with a statement that Islamabad had “photographic evidence” of Indian nationals working in Afghanistan to undermine Pakistan’s security by supporting militants.⁶⁵ The meeting also involved India’s handing over three dossiers to Pakistan regarding personnel and militant groups that it wants extradited and tried in India – a request that Pakistan has since refused.⁶⁶

Indian response to Mumbai has been seen as largely inadequate by the public; warning signs are that a further attack traced to Pakistan will not be responded to with restraint. “Minor, cosmetic gestures including the brief arrest of Hafiz Saeed” by the Pakistani government are unlikely to appease a growing tension that could find any further attack being responded to in some form of military retaliation – as manifest perhaps in the Cold Start doctrine.⁶⁷

When one focuses on the aftermath of Mumbai while analysing terrorism in Pakistan-India relations, there is the risk of overlooking other developments. There has, for instance, been alarm on the Pakistani side regarding Indian role in supporting militants in Balochistan – for which officials claim to have “conclusive proof”.⁶⁸ This is an added dimension to what is being called a proxy war between the two countries in Afghanistan.

Counterterrorism cooperation between the two seems impossible in the foreseeable future.⁶⁹ Policy shifts are required in both countries and need to incorporate a multitude of avenues that include terrorism if a long-term stable South Asia is to surface out of the current turmoil and a new, hopefully permanent, phase in the relationship is to rise out of the current hostile one. As it stands, however, the multidimensional aspect of terrorism – unfortunately narrowed down to the LeT – remains on top of the agenda as India and Pakistan try to restore peace to the region.

Section IV: Water insecurity

Water-sharing has been an ever-present issue and one that has had, at least ephemerally, all the attributes of a successful resolution between Pakistan and India in their use of rivers. Indeed, the Indus Water Treaty signed decades ago has had the distinction of a unique precedent, the magnitude of which has yet to be replicated in any sphere between the two countries since then. However, the use of water resources and security issues related to these, remain in place. These have been enhanced in recent years, as economic concerns coupled with water insecurity have led to legal, ethical, environmental and geographic discussions as water becomes a prominent talking point. Not surprisingly, Pakistan being the lower riparian has been the natural complainant in this debate.

Just as terrorism and Kashmir remain unresolved points of contention, the row over water has escalated to such an extent that it has acquired a similar, if not a more important, position in bilateral disagreements. For the two nuclear neighbours that have fought three wars since independence, rivers flowing to Pakistan from Indian-occupied Jammu and Kashmir have again emerged as a belated flashpoint. And, their re-emergence at a time when relations were already going through a troubled period has not helped matters. The dispute has seen Pakistan raise its

concerns, since its very economy and the livelihoods of citizens are at stake. This is because the country comes under direct threat due to the construction of various dams and projects by India on western rivers that decrease the flow in rivers that provide water to Pakistan, the lower riparian.

In itself, the issue of water is not new; in fact, it is rooted in Indo-Pak history. The river Indus originates in western Tibet, flows through China and Kashmir and then turns south into Pakistan before entering the Arabian Sea. The partition of the Punjab had severely affected the water system of the Indus as well as five other rivers (Chenab, Jhelum, Ravi, Sutlej and Beas) of the province. Just after partition, in 1948, India stopped the flow of water from the canals on its side, denying water to some eight per cent of cultivated area and 5.5 percent of sown area.⁷⁰ This necessitated, on the one hand, clear guidelines, and on the other, it gave indications of a problem that could, in future, get extremely complicated. This contention has indeed shown remarkable foresight.

On May 4, 1948, India agreed to an Inter-Dominion agreement with Pakistan which allowed for the continuation of water flow to Pakistan for irrigation until the newly formed Muslim State developed alternative water resources. This agreement was not a permanent answer to the problem and a long-term, substantial solution was required. Pakistan, therefore, approached the World Bank in 1952 to settle the issue permanently. Negotiations were carried out between the two countries through the good offices of the World Bank and culminated in the signing of the Indus Water Treaty.

The treaty allocated three eastern rivers; Ravi, Beas and Sutlej; to India, and the western rivers; Chenab, Jhelum and Indus; to Pakistan. It also enunciated a mechanism to exchange a regular flow-data of rivers, canals and streams. Moreover, it stipulated that if either of the two countries plans to carry out “engineering work” on any of the rivers and potentially interferes with the water flow, it would be required to provide the other with relevant details. Accordingly, a Permanent Indus Commission (PIC) was constituted, headed by commissioners from both countries.⁷¹ In addition, the treaty also set the procedures for settlement of differences and disputes, both bilaterally and through international arbitration.⁷² The conditions were deemed acceptable and the Indus Water Treaty emerged as a victory for diplomatic and political negotiations between India and Pakistan.

The treaty is also a unique example of a success story of international riparian rights, and has withstood two major wars. However, it could not successfully be used to put an end to a water dispute that arose in 1984. This was when India began the construction of the Wullar barrage on River Jhelum in occupied Kashmir. New Delhi halted construction work in 1987 after Pakistan lodged a strong protest over the project over its alleged violation of the Indus Water Treaty.

The controversies did not end there; in fact, they had only just begun. Since then, India and Pakistan have looked at water as an issue in its own right, and one that threatens to supersede Kashmir and gain primacy among unresolved issues. In the mid-1990s, India started another project, the Baglihar dam on River Chenab which is very important for Pakistan’s agriculture. This badly reduced the flow of water and, unsurprisingly, perhaps also belatedly in 2005, Pakistan again sought the World Bank’s help. Although the World Bank allowed India to go ahead with the project after a few modifications, it did not permit the interruption of the agreed quota of water flow to Pakistan.

Yet, in 2008, Pakistan suffered a huge setback to its autumnal crops due to reduced water flow of the Chenab. Jamat Ali Shah, Pakistan’s Indus Water Commissioner, claimed that this was

because of a shortage of water in the river that had occurred due to the filling of the Baglihar dam. India did nothing to address the problem initially, exacerbating the relations that had already turned hostile. However, there was cause for some optimism later when, as in 1978 when the Salal Dam issue was resolved through talks, given the necessary will, the Baglihar Dam issue also led to settlement through meetings of the two countries Indus water commissioners in June 2010.

Settlements such as these, however, appear myopic when the sheer numbers of projects that are deemed controversial are brought up. The Kishanganga dam on Jhelum River is another alleged violation of the treaty that represents a deep cleavage in India-Pakistan water issues. The project involves the construction of a 37m high concrete-faced, rock-filled dam and an underground powerhouse. A maximum gross head of 697 m is proposed to be utilised to generate 1,350 million units of energy, achieving efficiency of 90 per cent in a year with an installed capacity of 3x110 MW. New Delhi maintains that it is within its rights, under the treaty, to divert Kishanganga waters to the Bonar Madmati Nallah, another tributary of the Jhelum, which falls into the Wullar Lake before joining the Jhelum again.

Pakistan has objected to this, noting that India's plan to divert water causes an obstruction to the flow of the Kishanganga, claiming that the project has been designed to divert water from one tributary of the Jhelum to another. This in effect will adversely affect Pakistan's own 969 MW Neelum-Jhelum project being built downstream on the Jhelum with Chinese support.⁷³ It has also raised objection to the depletion of dead storage in the run of the Kishanganga project. However, both countries have failed to resolve the issue bilaterally at different levels.

Consequently, India has decided to nominate Peter Tomka, Vice-President of the International Court of Justice at the Hague, and Lucius Caflisch who is a Swiss international law expert, to represent its case in the Kishanganga project dispute with Pakistan.⁷⁴ Pakistan had already named Bruno Simma, also of the International Court of Justice, and Jan Paulsson, a Norwegian who heads an international law firm, as its arbitrators in the Court of Arbitration that will be set up to resolve its differences with India under the bilateral Indus Waters Treaty of 1960.

The aforementioned Indian hydro projects are just some examples from a long list of works by India which could adversely affect Pakistan. On the Chenab River, planned projects include the Bursur dam, Swalkot, Pakul dul, Dul Hasti, Chenani-I, Chenani-II, Chenani-III, Bhaderwah, Baglihar-II, Kawar, Kiru and Kirthai-I; on the Jhelum, there are the Lower Jhelum, Upper Sindh-I, Ganderbal, Upper Sindh-II, Pahalgam, Karnah and Parnai; while on Indus basin, they include Iqbal, Hunder, Sumoor, Igo-Mercellong, Haftal, Marpachoo and Bazgo Stakna (with J&KPDD).⁷⁵ Needless to say, individual settlements on every project seem an uninviting and implausible solution; water security needs to be pushed to the forefront considering the urgency of the problem that can not afford wastage of time.

There is reason, however, to be cautiously hopeful. One positive aspect related to the issue is that during a meeting between the Indus Water Commissioners that lasted from June 1 to June 4, 2010, Pakistan withdrew objections on two Indian projects (Chutak and Uri-II). The 44 MW Chutak is located in the Kargil district of Jammu and Kashmir on River Suru and Pakistan had earlier raised objections to its construction. The other project, the Uri-II is a 250 MW dam, is located in the Uri Tehsil of Baramulla district in Jammu and Kashmir.⁷⁶ However, differences on the 45MW Nimoo Bazgo project on the Indus in the Ladakh region of Indian-held Kashmir remained unresolved, with settlement depending on further talks and information.

Despite these limited successes, the issue has to be dealt with much more intensely, involving a multitude of sectors. For Pakistan, water security as a result of Indian projects takes such a

precedence since its economy – some might say its very survival – depends on water from these sources. India, on the other hand, sees a natural decrease in the amount of water due to environmental and climatic effects, affecting both countries as a consequence.

The projects that are underway are likely to have serious implications for Pakistan's economy, security and especially agriculture. Out of 79.6 million hectares of land that make up Pakistan, 20 million are available for agriculture. Of these, 16 million are dependent on irrigation from the water sources in question. Consequently, 80 per cent of agriculture is dependent on the water that is allegedly being 'stolen'. Many industries, including textile, are agro-based, and 80 per cent of food needs are fulfilled domestically. Thus, an interruption of water supply will have broad-ranging effects, putting massive strains on agriculture, economy and security since dams constructed on western rivers can be used to dry out major canals and distributaries. To counter the likely catastrophic results, there needs to be a drastic change in regional approaches towards handling such issues.

It is high time that both India and Pakistan forego vested interests for overall prosperity of the region. A cooperative relationship could create constituencies for peace in the region, deepen economic integration, and ultimately provide a smooth platform for both countries to realize their ambitions. For the urgency of the problem at hand, while it is an issue that could exacerbate any progress in the overall context of the relationship, it is also an issue that requires attention solely for humane concerns. In that sense, water cannot be separated from Kashmir, since not only is the same dimension visible in that dispute, but also many of the projects being scrutinised find their importance in the rivers coming from the valley of Kashmir, which not for no reason has been referred to as the jugular vein of Pakistan.

Section V: Kashmir

A South Asian dispute with global dimensions, Kashmir has been the one most prominent issue that divides Pakistan and India. Economic concerns mix with the ideological, religious, political and the historical and even with matters of pride and prestige as a solution to the territorial dispute becomes a major hurdle to lasting peace in the region.

In this context, events since November 2008 have, for once, relatively marginalised the issue as larger questions of terrorism are put forward. That said, Kashmir is unlikely to remain on the sidelines for long, and in the current phase of Pakistan-India ties, there have been movements on this front, even if they have been relatively insignificant given the milieu. In this section, an overview since the Mumbai attacks, of how events pertaining to Kashmir have progressed, will be given in order to contextualize the situation.

Almost a year after the Mumbai attacks, in October 2009, Prime Minister Manmohan Singh made his first visit to the valley since re-election in the 15th Lok Sabha election. During his visit, he seemed to be extending a hand of friendship to Pakistan by signalling strong commitment of his government in proceeding with unconditional dialogue with all Kashmiri groups, provided that they shun violence.⁷⁷

Prior to that, Home Minister Chidambaram had also hinted that the Indian government was working on holding 'quiet' talks with every group in Kashmir, so that a unique solution to the issue could be sought. Talking at an editors' conference, he stressed that "talks will be held silently, away from the media glare," noting that this was important at least until the contours of a political solution could be found.⁷⁸

Even as Pakistan's relationship with India was going through a rocky phase, Prime Minister Singh's offer for unconditional talks in Kashmir came at a time when militant violence in the valley was at an all-time low. And, on this occasion, there were many who were looking at such a dialogue with optimism; indeed, there was even speculation that the offer would be accompanied by a number of confidence-building measures (CBMs) such as the potential reduction of troops, and the abrogation of the draconian Armed Forces Special Powers Act (AFSPA).

The approach was welcomed by Jammu and Kashmir Chief Minister Omar Abdullah and former Chief Minister Mufti Mohammad Sayeed, who insisted that talks without pre-conditions could help resolve the Kashmir problem.⁷⁹ Announcing his readiness for "sincere and meaningful talks" with the Centre, Mirwaiz Umar Farooq, chairman of the moderate faction of the Hurriyat Conference, stressed, however, that the participation of New Delhi, Islamabad, Muzaffarabad as well as the people of Kashmir is imperative for the realisation of any proposed solution. While showing optimism, he also argued that without adhering to the six-point proposal put forward by the Hurriyat Conference - which included the revocation of all draconian laws, the unconditional release of all detainees and the withdrawal of troops - dialogue would be insubstantial.⁸⁰

The Mirwaiz also clarified that willingness to engage in talks with New Delhi did not compromise the alliance's basic principle, since the Hurriyat believes that the right to self-determination is the basis of any solution. Stressing that Kashmir's problems cannot be resolved through bilateral talks, he added that the Hurriyat had taken a triangular approach that involved engaging India as well as Pakistan so as to pave the way for tripartite talks.⁸¹

The effect of this new round of desired negotiations as put forward by Manmohan Singh was not universally praised or accepted with optimism. Syed Ali Shah Geelani, for instance, was one of those who rejected the initiative, with the contention that "talks have been held over 130 times between Kashmiris and New Delhi since March 23, 1952, but failed to achieve desired results. There is nothing new in the offer of talks."⁸² Thus, as the suspension of bilateral dialogue continued between Pakistan and India through this period, New Delhi was facing ambivalent reaction to its initiative in Kashmir as well.

By the middle of November 2009, however, reports of a secret two-hour meeting between Chidambaram and Mirwaiz Umar Farooq, along with his coalition colleagues Abdul Gani Bhat and Bilal Lone, appeared in the media.⁸³ Mirwaiz, while denying that such a meeting had taken place, accepted that there were ongoing back-channel contacts between the Hurriyat and the government but that these amounted to "communication" rather than dialogue.⁸⁴ On the other hand, Chidambaram's office refrained from making any comments, except that since the Home Minister had initiated a process of "quiet diplomacy", details could not be made public.

The implied progress was corroborated and confirmed on November 18, 2009 when Mirwaiz Umar Farooq, while talking to the media, said: "A lot is happening. Work is going on ... on many possible solutions, one of which is an agreement between New Delhi and Srinagar with Pakistan's blessings." It was also reported that India and Pakistan had held two rounds of meetings in Bangkok and that the dialogue had been conducted between former Pakistan High Commissioner Aziz Ahmed Khan and former RAW chief A S Dullat despite an apparent suspension of overall talks between the two neighbours.⁸⁵

The Mirwaiz also said that the basic paradigm of discussions was inspired by Pervez Musharraf's four-point proposal for an acceptable solution to Kashmir. However, India was not ready for the aspect within these that called for joint management and control of foreign affairs, currency and communications in Kashmir.⁸⁶ He noted that it was hoped that back-channel

communication could create a substantive opening before the Hurriyat considered entering into public dialogue with the Centre. He also admitted that the new momentum had much to do with pressure from the U.S. which was pushing for a solution in order to address Pakistan's growing concerns.

However, the Mirwaiz has been in a precarious position due to the process being followed. Facing allegations of starting this "quiet diplomacy" with the Indian government without taking General Council of the amalgam and the Kashmiri people in confidence, he has argued that that talks for resolving any issue were yet to start,⁸⁷ insisting that both India and Pakistan needed to start dialogue in order to pave the way for tripartite talks.

Whatever the progress on Chidambaram's approach, the process received a setback when senior All Parties Hurriyat Conference leader Fazal Haq Qureshi, believed to be a key player in the secret talks held between the Mirwaiz Umar Farooq-led APHC and the Home Minister, was attacked. The assassination bid was seen as a move to disrupt the covert negotiations and came as a direct threat to Mirwaiz Umar Farooq and his separatist conglomerate in reaction to their apparent decision to begin engaging in quiet and direct talks with New Delhi.

Some effects, as had been expected at the initiation of the talks, have since seen light. On December 19, 2009, Indian Defence Minister A.K. Antony announced that two Army divisions (about 30,000 troops) had been withdrawn from Jammu and Kashmir and that there were plans to pull back more troops if the law and order situation continued to improve. At the same time though, he ruled out revocation of the AFSPA from areas where armed forces were deployed for counterinsurgency operations.⁸⁸

On December 24, 2009, the Union Ministry of Home Affairs released its year-end review which noted that the number of terrorism-related incidents in Kashmir had dropped by 27 per cent in 2009 as compared to 2008.⁸⁹ India continued to accuse Pakistan, however, of abetting in the training and infiltration of militants in Kashmir. The review stated that during 2009, 473 infiltration bids were made, out of which 367 were foiled; from these, 93 terrorists were intercepted and 227 retreated into Pakistan on being intercepted, whereas 110 terrorists managed to sneak into the valley.⁹⁰

Indian intelligence sources also contend that Pakistan has set up dedicated communication towers at Tum, Nikral, Samani and Zaffarwal in Azad Kashmir to provide assistance to terrorists operating in the Poonch, Rajauri, Naushera and Kathua regions. Upping its ante against Pakistan, the Indian media reported that in 2008, of the 237 militants killed, 171 had been foreigners; in 2009 another 161 militants were killed and these included 133 foreigners. In the current year, until mid-March, 21 militants had been killed, and out of these, five were reported to be foreigners.⁹¹ Defence Minister Antony also alleged that there are forty-two training camps operating in Pakistan and that there had been little effort to close them down.⁹²

Somewhat contradictory at first glance are reports of an alleged spike in violence even as talks progress amid relatively peaceful times. Citing various factors such as the quiet talks, the prime minister's reconstruction programme, and a stable government in the state as reasons for rising frustration among militant groups, Chidambaram warned that "militant groups are coming together to give a push."⁹³ Army Chief General Deepak Kapoor also insisted that Pakistan had done nothing to dismantle the forty-two anti-India training camps and was continuing to support militants.⁹⁴ Pakistan is also being blamed for the recent spurt in violence and renewed ceasefire violations both at LoC and the international border.

Towards February 2010, in an effort to mollify anger in the valley over the killing of a teenage boy at the hands of security forces, India announced that it was considering a major confidence-building measure of granting amnesty to young Kashmiris who had allegedly joined militant groups in Azad Kashmir, as well as to families that had crossed the LoC to save themselves from shelling and troop harassment. India hopes that this “surrender and rehabilitation policy” would go a long way towards addressing the political dimensions of Kashmiri dynamics.

Under such a scheme, those who seek to return are to be “quarantined” for at least a month for interrogation by agencies. The proposal has attracted severe criticism from various quarters as it is being pointed out that a return of militants would escalate violence as it could be abused by forces that are bent on creating havoc. In these testing times, this comes as a challenge to New Delhi in terms of balancing its negotiations with APHC and appeasing the Kashmiri populace.

Home Minister Chidambaram has come out and defended the initiative, saying that the identification, screening, facilitation of travel from Pakistan, de-briefing, rehabilitation and integration with the country will be part of the policy and will be observed with meticulous organisation. He observed that there was nothing new in the scheme as the Central Reserve Police Force (CRPF) has already recruited one full battalion of surrendered militants, whereas the Border Security Force (BSF) also absorbed 450 ultras.⁹⁵ On May 12, 2010, Jammu and Kashmir Chief Minister Omar Abdullah announced that the rehabilitation policy to facilitate return of militants from Pakistan-administered Kashmir is in the final process of submission to New Delhi.⁹⁶

As far as Pakistan’s own approach to Kashmir is concerned, the manner in which it has now attempted to raise the issue in the now reopened bilateral discussions with India shows how its importance has never diminished. While the strategic element has never been questioned, even if it has remained sidelined relative to the emotive aspect; of late, the economic facet has surfaced like never before due to a cognizance of water insecurity in the region. Nevertheless, Kashmir remains a major issue for Pakistan as it attempts to engage India in systematic and organized discussions on a number of issues.

Recently, Pakistan’s former Foreign Minister Khurshid Mehmood Kasuri disclosed that the previous government had completed almost 90 per cent of the spadework on the Kashmir dispute by 2007, and that the entire exercise needed just the formal signature of all the three parties to the issue - Pakistan, India and representatives of Kashmir. He said that the solution is ‘just a signature away’ once India and Pakistan decide to pull the file from the rack as the entire paper-work has been done.

He also claimed that the copies of related documents are safe with some friendly countries as negotiators from Islamabad and New Delhi had quietly toiled away for three years, talking to each other and Kashmiri representatives from the Indian side as well as those settled overseas, to reach the “only possible solution to the Kashmir issue.” Through this, the two sides had reportedly agreed to full demilitarisation of both Indian-occupied Kashmir and Azad Kashmir. In addition, a package of loose autonomy that stopped short of the ‘azadi’ and self-governance aspirations had been agreed and was to be introduced on both sides of the disputed frontier. “We agreed on a point between complete independence and autonomy,” he said.⁹⁷

He noted that this arrangement needed a review after fifteen years of its announcement and was to be implemented and monitored by all parties concerned, and that it could be further improved.⁹⁸ However, following a political upheaval in Pakistan, the issue was thrown in the backburner. Similar claims were made by former President Pervez Musharraf when addressing a

gathering in the House of Lords in England, where he said, "We were not far from resolving Kashmir problem with Prime Minister Manmohan Singh on the basis of a four-point parameter which would demilitarise Kashmir and make the line of control irrelevant."⁹⁹

However, rejecting these claims, Pakistan's Foreign Minister Shah Mahmood Qureshi said that neither he nor the people of Pakistan have any knowledge about such a Kashmir solution as the proposal has never been debated and there exists no corresponding record in the Foreign Office.¹⁰⁰ While acknowledging the important role of backchannel diplomacy, Qureshi insisted that disputes were always resolved through formal talks and this is exactly what the current government is attempting.

On May 25, 2010, Prime Minister Manmohan Singh once again announced that his government was ready for dialogue on Jammu and Kashmir if separatists shun violence. He said, "I would like to appeal to all the groups outside the political mainstream that our government is ready for dialogue if they shed violence."¹⁰¹ Rejecting the offer to resume dialogue, APHC leader Mirwaiz Omar Farooq said that "genocide of Kashmiris and dialogue can't go together."¹⁰² He also asked Pakistan to raise the issue of human rights abuse of Kashmiris at the hands of Indian occupation forces during the India-Pakistan talks in July, insisting that, "you can't have only one kind of terrorism on the agenda."¹⁰³

For the past couple of years, the Indian government has been taking credit for a decline in militancy, and a turnout of 60 per cent voters in the 2008 state election which is deemed to be a reflection of people's attitude against separatist politics. However, the recent spate of violence indicates how deceptive that claim has been and how frustrations among the Kashmiri people, and especially the youth, have risen due to the state of affairs in the valley.

The younger generation has come out to the streets not with guns but with stones to express anger and disillusionment. The deployment of the army for the first time in a decade indicates the gravity of situation. Though protests or even stone pelting is not a new phenomenon in Kashmir, the latest round of violence which started with an incident on May 30, 2010, a fake encounter in the Machil sector, has shown how the situation has not improved. Three young Kashmiris were declared to be cross-border terrorists and had been killed by an Indian army unit in this encounter which was exposed and naturally led to much backlash.

The motive behind staging this incident was the monetary reward and promotion that comes with encounters on the LoC. Tempers in the valley were already high when the killing of a seventeen-year-old student by occupation forces on June 11 added fuel to fire. Since then, fifteen people (mostly teenagers but also a nine-year-old boy and a woman) have been killed by the CRPF in just over a month. As a result, as Kashmir again dominates headlines, the rhetoric of negotiations is increasingly being replaced with the slogan of "azadi" in the valley.

While refusing to admit its own failures and looking at the root causes of unrest, the Indian government was quick to shift the blame on the Pakistan-based LeT as Home Minister Chidambaram noted that anti-national elements linked to LeT were trying to exploit the situation in Kashmir.¹⁰⁴

The statement evoked strong reactions in Kashmir as not only the mainstream political parties but also ordinary people felt the insensitivity of these words as well as the actions of the Indian government. Mehbooba Mufti, leader of the main Opposition party in Kashmir, termed the statement an "insult to the Kashmiri people."¹⁰⁵ Fingers were also pointed towards hard-line separatists for fomenting trouble in the valley since the Union Home Ministry claimed to have

intercepted a conversation between two senior office-bearers of the Geelani-led Hurriyat faction in which they were allegedly discussing the killing of at least fifteen people in a procession near Srinagar.

Pakistan was also not spared as on July 7, 2010, Indian Defence Minister A.K Antony professed that attempts of infiltration into Kashmir from Pakistan were increasing with “conscious, calculated attempts” to push more terrorists into the valley.¹⁰⁶ The very next day, the Congress party held Pakistan responsible for the turmoil in Kashmir and advised the government to take up the issue of “inimical elements” from across the border that had a hand in perpetrating violence, with the neighbouring country.¹⁰⁷

Despite these efforts to shift the blame to Pakistan or LeT, it is heartening to see that a large number of Indian analysts have been able to understand and highlight the root causes of current turmoil. Though admitting that Pakistan can take advantage of the current situation by mobilising the international community, the majority of analysts have rejected the idea of Pakistan’s hand in creating unrest. Instead, these commentators have blamed both the Union as well as the state government. It is being pointed out that while the abuse of human rights is a major factor, other concerns such as the growing gap of communication between the state government and the people has played a key role in forcing the people to protest.

Few of the ministers of the Legislative Assembly have bothered to engage with their constituencies since elections in 2008 and the state administration remains indifferent to the problems faced by the people. The laxity of the Union government can be gauged by the fact that on November 18, 2004, in an effort to win the hearts and minds of the Kashmiri people, Manmohan Singh had announced a reconstruction plan, involving an outlay of Rs 24,000 crores for basic services, employment generation, and relief and rehabilitation to families of victims; but most of this has not gone through. Six years later, the Indian government has recently admitted that only half of the 67 projects drawn up under the Prime Minister's Reconstruction Plan for Jammu and Kashmir have been completed.¹⁰⁸ Omar Abdullah’s government is also being blamed for corruption and mismanagement.

Moreover, the CRPF has also been severely criticised for its brutal response to the protests. The total indifference of the political elite towards human rights abuses has turned the people of Kashmir against the government. Furthermore, it is being largely acknowledged that India has failed to build on the gains made by occupation forces by bringing the overall law and order situation under control. New Delhi has been unable to introduce CBMs such as the revocation of AFSPA that could have helped win back the confidence of the Kashmiri people. This latest acknowledgment has come from the Indian Chief of the Army Staff General V. K. Singh.¹⁰⁹

Cautioning the government, analysts and commentators are denouncing the efforts to relate these protesters to LeT or Al Qaeda as these arguments could be used by security forces to justify civilian killings. Demonising the protesters and labelling them LeT cadres or anti-national elements would only further alienate them. The need of an internal dialogue between the Union government and Kashmiri political parties to address the political future of the state is also being highlighted. Better training of the police and paramilitary forces to control mob violence has also been suggested as the politicians need to be more responsive to people’s grievances.

But all these measures may not bear fruit unless India realises the fact that it cannot suppress the popular demands of the people by using force and a strategy of denial is not going to serve its purpose. The settlement of Kashmir is central to peace in South Asia. A resolution between India and Pakistan with the Kashmiri leadership on board will contribute to the fight against terror and

ensure prosperity not only for the two countries but for the entire South Asian region. And, given the importance it has on a global stage, not only will it improve the regional image, but allow for potentially unprecedented progress on other avenues of contention between the two countries.

While there is no reason to dismiss arguments that the best possible solution to Pakistan-India problems would be to overlook the Kashmiri dimension, making less controversial issues the bedrock, it is equally important to recognize the other side of the argument – that a reasonable solution to Kashmir may well end up defining the future course of action on most of the important facets of the relationship including water, terrorism and trade.

Section VI: Trade

While seemingly non-contentious an issue, trade relations have also suffered from strident and chronic politicisation. Two contrasting views have traditionally existed when prospects of peace through trade are considered. While it has been assumed, perhaps a little too simplistically, that a stable relationship is a prerequisite to trade, recent scholarship has suggested that in fact Pakistan and India should enhance trade relations as a means to attain regional stability and bilateral friendship.¹¹⁰

As it is, successful trade between Pakistan and India, while problematic, offers multiple workable avenues that have tremendous potential. The irony is that while trade between the two countries is abysmally low, there has, except for a period of nine years between 1965 and 1974, never been a complete trade embargo.¹¹¹ While the debate of whether flourishing trade can precede regional security continues, there is almost unanimous agreement that economics offers the one most potentially effective path for bilateral as well as regional benefits. It was for this reason that “one of the most important meetings between India and Pakistan on trade issues” in 2005 attended by President Musharraf and Prime Minister Manmohan Singh generated considerable optimism.¹¹² However, a subsequent joint communiqué has not seen any fruitful results five years down the line

In 2008, trade between India and Pakistan amounted to a paltry 2 billion dollars with India accounting for one per cent of Pakistan’s and Pakistan accounting for 0.5 per cent of India’s trade.¹¹³ Despite these seemingly low figures, compared to trade with other countries in the South Asian region, 36 per cent of South Asian imports of India come from Pakistan. The corresponding figure for Pakistan is 69 per cent, making them two major trading partners in South Asia “despite all hurdles” and deceptively low absolute figures.¹¹⁴ Current official trade figures of about \$2 billion are actually a substantial increase from the meagre \$300 million in 2003-2004,¹¹⁵ so while still “unnaturally small”, any increase in trade needs to be studied in context.

While criticised on many grounds, one giant failure of the South Asian Association for Regional Cooperation (SAARC) has been in its ineffectiveness on trade expansion. While the South Asia Free Trade Agreement or SAFTA has been signed by members, interregional trade has not grown. Some argue that India needs to take the lead since it represents 80 per cent of South Asian GDP and has the “primary responsibility for promoting economic stability in the region.”¹¹⁶ This has in fact allowed China to build up its own regional strengths by partnering with Pakistan and Bangladesh.¹¹⁷ However, much of the responsibility also rests on the bilateral failures of Pakistan and India to reach agreeable solutions to conflicts outside of the trade relationship since the two dominate dynamics within SAARC.

Two primary reasons and significant features of low trade between the two countries are largely cited. First, Pakistan’s failure to grant India the MFN or Most Favoured Nation status

which, if nothing else, is politically significant, especially since India had done so in compliance with the principles of the WTO regime in 1995. Secondly, highly problematic are the substantial tariff and especially non-tariff barriers which are more significant in India's case since they prevent Pakistan from developing a market.¹¹⁸ Pakistan's 'Positive List', examined later in this section, while having its fair share of critics, has widely been regarded as being fair to India. This is a telling point since a large percentage of imports from India covers a small part of this list of importable goods, and additions have been made to it when need is felt. A further breakdown of barriers to trade – both tariff and non-tariff barriers – is given in the table below.

Barriers to trade	India	Pakistan
	Tariff barriers	
Most favored nation (MFN) status	Has granted MFN to Pakistan.	Not granted MFN to India; imports from India restricted to positive list (786 items); most of the permissible items are chemicals, minerals, and metal products; finished products are not part of the list; no special restrictions on exports to India.
Unweighted average customs duty	22.2 percent	14.9 percent
Nonagriculture	19.7 percent	13.8 percent
Agriculture	40.1 percent	20.5 percent
General maximum customs duty	30 percent (20 percent, excluding agriculture).	25 percent
Special higher duties	For 18.5 percent of tariff lines: rates of 35 to 182 percent (agriculture, automobiles, textiles, and garments). India has extended tariff concessions to Pakistan on 393 items.	For 1.1 percent of tariff lines: rates of 40 to 250 percent (edible oil, automobiles, and alcohol). Pakistan has extended tariff concessions to India on 248 items; until recently 78 of these items could not be imported because they were on the banned list, but these items have since been added to the positive list.
	Nontariff barriers	
Import licensing	Dismantled; no registration, licensing fees, and quotas.	Dismantled; no registration, licensing fees, and quotas.
Subsidies	India provides significant subsidies to producers and consumers (mainly in agriculture).	Few subsidies except urea fertilizer and electricity to households, but subsidies through support prices (wheat and cotton).
Visa regimes	Very restrictive; visas take a long time to process and for a particular city, Pakistani nationals are required to register themselves upon entry into India and also have to report their arrival to and intended departure from each place of stay as permitted on the visa within 24 hours at the nearest police station.	Very restrictive for Indians; police reporting required, but recently, some relaxation has occurred, with multiple-entry visas being granted to Indian businessmen when arranged through the Chambers of Commerce.
Land transportation	Few border crossings; very limited rail traffic across borders; and requirement that rail wagons carrying goods across the border should return empty.	Few border crossings; very limited rail traffic across borders; and requirement that rail wagons carrying goods across the border should return empty.
Air travel	Still limited, but some improvement in recent years.	Still limited, but some improvement in recent years.
Sea transportation	Ships must first touch a third-country port to import from Pakistan (i.e., Dubai or Singapore); limited ports and inland customs posts at which the import of "sensitive" products can be cleared.	Ships must first touch a third-country port to import from India (i.e., Dubai or Singapore); Pakistan has only one major port in operation (Karachi).
Payment systems	No branches of Indian banks in Pakistan; payments for exports/imports have to be made through third-country banks.	No branches of Pakistani banks in India; payments for exports/imports have to be made through third-country banks.
Energy trade	No energy trade with Pakistan.	No energy trade with India.
Services/information technology (IT)	Trade with Pakistan in services and IT is heavily restricted.	Trade with India in services and IT is heavily restricted.

Source: Mohsin S. Khan, "India-Pakistan Trade: A Roadmap for Enhancing Economic Relations", *Peterson Institute for International Economics, Number PB09-15*, July 2009.

While bilateral and regional figures show the essential dynamics of trade, some important facets of specifically Pakistan-India are ignored if one focuses on official statistics. Third-country trade and smuggling or illegal trade increase the official figures substantially, even if by adding their value, figures still remain much lower than expected.¹¹⁹ Third-country involvement alone is likely to increase the figure by a factor of four or five. Informal trade via third countries such as UAE, but specifically Dubai, is estimated to be between \$2 billion and \$3 billion per year – even

higher than official bilateral trade; needless to say, if carried out bilaterally, it could be done at a much lower cost and bring substantial benefits.¹²⁰

The issue of trade in the energy sector – and it is here that regional security issues are most important – is a further area of substantial interest. Through this, Pakistan seeks to gain royalty figures that could be equivalent to as much as 5 per cent of its total export earnings.¹²¹ And, when one encompasses other regional issues in the trade debate, there are also concerns emanating from India regarding its trade with Afghanistan where land routes and transportation through Pakistan makes it much more effective. Needless to say, regional stability and at times issues that may not be in State control hinder progress on all these fronts. With the politicisation of trade in energy accompanied by foreign policy dilemmas, the potential of trade in energy, as well as of transit routes, will take some time to be actualised.

This regional dimension for trade in South as well as Central Asia is highlighted in a recent World Bank report on peace and economic cooperation. It stresses the need for a more comprehensive cooperation that brings security together with trade in this “moment of reckoning in South Asia”.¹²² It argues for a leadership role for the region in a global economy that rests on cooperation rather than competition in order to maximise individual gains. Taking the example of perennial hostile neighbours Pakistan and India, the argument is that there has been a persistent zero-sum game where one tries to gain at the expense of the other. However, a clear winning strategy is cooperation.

To elaborate as an example, India needs to sustain its high growth rate and will require cheap and stable supplies of oil, gas and industrial raw material from Central and West Asia, for which Pakistan is “the most feasible conduit”. Additionally, it will need to develop a larger regional market for its exports, and again the relevance of Pakistan, given its proximity, cannot be discounted.¹²³

For Pakistan, one major problem that has been exacerbated by Indian policy is its most prized commodity - the textile sector. While internal energy problems need to be accounted for, there is reason to suggest that better economic ties with India would have prevented the decrease of 9.3 per cent in exports from this sector alone.¹²⁴ In addition, the strong sense of an Indian failure to adopt leadership is seen by the existing non-tariff barriers and its disapproval of liberalisation policies and innovative partnerships with Pakistan such as common trade zones at distinct points at the border.¹²⁵

Indeed, this ‘sabotage’ by India is also evidenced in its bilateral trade with Pakistan as its imports from Pakistan are among the lowest, while the reverse is true for Pakistan.¹²⁶ While this may be acknowledged as a biased understanding from a partisan Pakistani framework, it goes to show at the very least the mistrust that has seeped into economic spheres as well.

Based on some earlier studies, under the SAFTA treaty, Pakistan and India’s trade could be increased to up to fifty times its current level if its true potential is achieved.¹²⁷ A more recent report by the Peterson Institute for International Economics on India-Pakistan trade presents a more conservative but still substantial potential figure for official trade being twenty times greater if relations are normalised.

Some of the salient features of Pakistan’s trade policy 2008-09 – whether implemented or not – are very relevant to trade ties with India as noted by the *Economic Survey of Pakistan 2008-09*. This included the import of cheaper raw material machinery sourced from India due to the addition of 136 items in the Positive List which also included diesel and fuel oil which will be

cheaper due to lower transportation cost. Reducing these costs is a policy followed since the import of stainless steel and cotton yarn has been allowed through both trains and trucks at the Wagah border.¹²⁸

While there is no comprehensive trade agreement between the two countries and Pakistan only allows limited number of tradable goods in its Positive List, the number has been growing. As per potential tradable goods, there is scope for tremendous improvement if one analyses the current imports and exports of both countries.

For instance, 32 per cent of the value of Pakistani exports occurs in goods that are imported by India from other countries and these cover multiple sectors – significantly, in the non-textile arena. Similarly, Indian exports cover almost 53 per cent of the goods that Pakistan imports.¹²⁹ This distinction of the goods is important since firstly it looks at diversified sectors and can cause much benefit to the economy in many ways, and two, it can allow more effective, low-cost trade in goods that are already being traded from other parts of the world, perhaps a necessary lead-up to a South Asian leadership in the global economy.

Moreover, it needs to be recognized that the oft-quoted high potential for trade between the two neighbours has been highlighted due to a number of reasons. Indeed, given the circumstances, it seems almost incredible to a neutral observer in the modern world that the potential benefits are not being harnessed; the countries are rich in resources and labour, provide land routes for regional trade and energy supplies, and being neighbouring countries can undertake trade at much lower costs. Moreover, sharing a long border, innovative strategies can be implemented for enhancing trade and raising employment levels. Hence, it needs to be analysed as to why trade has remained low despite all the likely advantages to the contrary.

There are other less obvious areas of interest. The energy sector, for instance, offers numerous chances but is dependant on political stability. India's export of its 'soft power' and increasing partnership with Pakistan brings in an altogether more social dimension to economics. Entertainment industries in both countries have traditionally sought common ground and this has risen in recent years. And the issue of India's trade relationship with Afghanistan and transport routes through Pakistan also needs to be highlighted. There are numerous implications for the trade debate and there have been many suggestions made as to how the two countries should proceed.

One recommended process to be followed has been divided into two phases of short-term and medium-term measures that could be adopted. The former, many of which were agreed to in principle at the aforementioned Musharraf-Singh meeting in 2005, have been widely debated and relate to trade facilitation.¹³⁰ These include easing restrictions on visas, eliminating requirements of ships touching a third country port before bringing imports, opening additional border crossings and additional bus routes, allowing branches of banks to function in both countries and increasing air links. The medium-term measures primarily relate to Pakistan's granting MFN status to India, and India's reducing tariff rates on goods relevant to Pakistan and removing non-tariff barriers. Other goals for mutual benefit in the long term include transit routes and infrastructure development.

Since the Mumbai attacks, the climate for negotiations has been unusually bad. Indeed, on the first anniversary of the attacks, the Federation of Indian Chambers of Commerce and Industry (FICCI) released a contentious document titled "Task Force Report on National Security and Terrorism" that recommended "a limited but intense attack on Pakistani territory to prevent

similar acts of terrorism” and proposed an immediate ban on trade, “closure of travel routes, as well as denial of permission for overflights to Pakistani airliners.”¹³¹

Seeing this within the larger framework of Indian designs against Pakistan, the Lahore Chamber of Commerce and Industry proclaimed that it was suspending all trade delegations to India till the resumption of the Composite Dialogue. Since then, however, the situation has cooled down. In December 2009, a Pakistani delegation took part in a Trade Expo in India and returned optimistic.¹³² Later, in 2010, the Indian High Commissioner, speaking on trade issues also noted that construction work on Integrated Customs Check Posts had started at Wagah and would allow both countries to ship consignments easily. Suggesting the opening up of trade on further land routes, he also noted that potential of \$10 billion trade could be achieved if other such measures are taken.¹³³

One can safely say then that enhanced trade offers much potential for economic and perhaps also political ties between India and Pakistan. The current state of affairs shows a rise in trade but the figures still remain unsubstantial. The most obvious issues include Indian tariff and non-tariff structures and Pakistan’s delaying the MFN status to India. There are also other more technical concerns of the Positive List – whether or not this should be a system at all, and if so, how it needs to be enhanced.

More immediate concerns of visa issuance, red tape and travelling also require political solutions. Moreover, the entire subject needs to be studied keeping in mind large quantities of informal trade through third countries as well as illegal trade, which if added to current official data makes up a bigger if still unsatisfactory picture. The energy sector may end up providing the biggest challenge, but also the most potential as India and Pakistan look to develop an enhanced trade relationship. For, only if that happens will the proverbial chicken-and-egg riddle of trade and regional peace be solved.

Section VII: Conclusion

This study has attempted to comprehensively point out the main areas of concern, especially since the Mumbai attacks of November 2008, that have caused the relationship between Pakistan and India to enter a significant phase in an already turbulent current history. Perhaps more importantly, it has tried to establish the regional implications of peace and security through cooperation between the neighbours that require amiable solutions to all the problems, among many others, listed above.

It is increasingly becoming clear that the relationship is moving into a new phase. For all the darkness and mistrust in the time since 26/11, there is now cause for some mobilisation towards a political negotiation of sorts, the contours of which are yet to be manifested. And, despite the prevailing hostility and the collective, often despairing notions of helplessness and fatalism, there is no reason to withhold any aspirations and optimism.

In July 2010, there is an expected meeting between the foreign ministers of both countries; this is to be sandwiched between a second meeting between both foreign secretaries and an expected meeting between the prime ministers at a later date. There are those who scoff at dialogue and how years of meetings have held no fruitful results; however, it is also noted that periods of negotiations go hand-in-hand with periods of relative peace, even if no substantial or tangible progress is made. This allows for deeper understanding to develop between the nations, for people to be able to move across the border and for a rising sense of security that may in the

end diminish the hostile collective memories that have plagued processes of peace in the first place.

More importantly, these periods of negotiations, however superficial, deny the existence of a vacuum that could be used by militants and extremist ideologues and lead to regional insecurity, hostility between the countries and an exacerbation of unresolved issues.

Various untested avenues are continually being sought. The power of soft image is slowing coming into the more informal field of diplomacy being tested by people of the two countries. Cooperation in media and the entertainment industries as well as projects such as ‘Aman ki Asha’ between media groups have, for instance, have added to the already existing innovative and non-traditional attempts at peace-building that previously included ‘cricket diplomacy’. Broadening the discourse to include all the multifaceted efforts can only result in decreasing the improbability of lasting peace.

However, with rising regional issues at play, there are other more serious indicators that will also require new platforms to discuss previously ignored or irrelevant issues. A ‘proxy war’ in Afghanistan being fought between India and Pakistan, for instance, is an issue that may replace Kashmir and terrorism as the primary talking point. There is a resurfacing of allegations on both sides, regarding the support of militants that cause destabilisation in the home country, and the situation with water insecurity has the potential to cause tremendous problems for policymakers.

In the end, while there are warning signs that need to be examined, there are also signposts that indicate paths towards peaceful, if not altogether mutually beneficial, co-existence. As the world grapples with new and more immediate challenges on a truly global scale, Pakistan and India need to evolve, more so now than ever before, from what has been an extremely narrow and regional view of political economy to a more relevant platform from where both can aim to reach the ends they desire. The old conventional wisdom of one of the two succeeding as opposed to the other has run its course. For Indian ambitions of regional, if not global, leadership and Pakistan’s quest for national stability, the discourse itself needs to be enhanced.

That a political solution is being sought, is indeed a positive sign, but a sustained, concentrated and systematic effort to solving broader issues needs to be made. Over six decades of interaction at the highest possible level has not led to such an effort. However, as both countries deal with pressing concerns – some, on which they become minor players for each other – there is reason to hope that conditions now allow for more meaningful talks with substantial results. It remains to be seen whether missed opportunities of the past will now be translated into an actualization of the potential that generations continue to wait for. The challenge is to transform a negative collective memory of two peoples into a collective hope – and that is something that belligerence has never achieved.

Notes & References

-
- ¹ Akmal Hussain, 2010, “A perspective on peace and economic cooperation in South Asia”, in Sadiq Ahmed, Saman Kelegama and Ejaz Ghani, eds. World Bank study, *Promoting Economic Cooperation in South Asia*. New Delhi: SAGE Publications. Ch. 1.
 - ² “Pak says differences over Sir Creek narrowed down”, *Outlook India*, Nov 29 2006, <http://news.outlookindia.com/item.aspx?433249>
 - ³ Subhash Kapila, 2006, “India’s Foreign Policy Options in Pakistan 2007”, *South Asia Analysis Group*, Paper 2053, <http://www.southasiaanalysis.org/papers21/paper2053.html>
 - ⁴ K. Allen Kronsadt, 2009, “Pakistan-US Relations”, *Congressional Research Service (CRS) Report for Congress*, Feb 6, 2009, <http://www.fas.org/sgp/crs/row/RL33498.pdf>

Shah Mahmood Qureshi, the Foreign Minister of Pakistan had been in New Delhi to review the progress on the last round of the composite dialogue that was termed “productive and fruitful”.

5 Siddharth Varadarajan, “Time to end the impasse with Pakistan”, *The Hindu*, April 25, 2010, <http://beta.thehindu.com/opinion/columns/siddharth-varadarajan/article410130.ece>

6 Arif Nizami, “Finally, a thaw”, *The News*, May 01, 2001.

7 “Shahzad’s arrest vindicates India’s stand: Krishna”, *The Hindu*, May 6, 2010, <http://beta.thehindu.com/news/international/article423124.ece>

8 Anita Joshua, “Pakistan hopes talks will not be hit”, *The Hindu*, May 07, 2010, <http://beta.thehindu.com/news/international/article423726.ece>

9 “As siege ends, Mumbai mourns its dead”, *The Hindu*, November 30, 2008.

10 “India-Pakistan talks stalled after attacks”, *Reuters*, December 16, 2008, <http://www.reuters.com/article/idUSTRE4BF3GK20081216>

11 “Manmohan’s remarks unacceptable, says Pak”, *The Tribune*, June 18, 2009.

12 Ibid.

13 “India, Pakistan issue joint statement on bilateral relations”, *Indian Express*, July 16, 2009.

14 “We will not accept delinking :BJP”, *The Hindu*, July 18, 2009.

15 “No dilution of our stand : Manmohan”, *The Hindu*, July 18, 2009.

16 “Terror infrastructure in Pakistan still intact : Antony”, *Times of India*, November 7, 2009.

17 “Cross-border infiltration into J&K on the rise : Antony”, *Times of India*, January 14, 2010.

18 “India, Pakistan’s ‘proxy war’ in Afghanistan”, *Dawn*, March 4, 2010.

19 For a detailed study of Cold Start Doctrine, read “A Cold Start for Hot Wars? The Indian Army’s New Limited War Doctrine”, Walter C. Ladwig III, *International Security*, Vol. 32, No. 3, Winter 2007/2008, pp. 158-190.

20 “Half of India’s defence equipment outdated: Report”, *Daily Times*, January 14, 2010.

21 “India inks Mirage deal, France says no to Pak”, *Indian Express*, April 5, 2010.

22 “PM, Gilani to meet on SAARC sidelines today”, *Times of India*, April 29, 2010.

23 “India offers to resume talks with Pakistan”, *BBC News*, February 4, 2010, <http://news.bbc.co.uk/2/hi/8498556.stm>

24 “Delhi for ‘measured contact’ with Islamabad”, *The Nation*, January 30, 2010.

25 “We must pick up the pieces: Bashir”, *The Hindu*, February 26, 2010.

26 “At FS talks, Pakistan said call in Ministers next, India said no”, *Indian Express*, March 11, 2010.

27 “Pakistan accepts India’s demand on team change”, *The News*, February 23, 2010.

28 “Unfair to let terrorism stall relations: Pak Foreign Secy”, *Indian Express*, February 26, 2010.

29 “Greater trust needed for composite dialogue with Pakistan: Krishna”, *Times of India*, February 27, 2010.

30 “Talks with Pakistan a ‘Calculated move’ , no US nudge: PM”, *Times of India*, March 6, 2010.

31 “PM reaches Bhutan for SAARC summit, may meet Pak counterpart”, *Times of India*, April 29, 2010.

32 “India, Pak agree ministers should meet”, *Times of India*, April 30, 2010.

33 “Manmohan brings up 2/11, JuD chief in talks”, *Times of India*, April 30, 2010.

34 “An opportunity to talk to each other and not at each other: Nirupama Rao”, *The Hindu*, June 25, 2010.

35 “Foreign secys set talks table for Ministers”, *Times of India*, June 25, 2010.

36 “6 ‘guilty’ of 26/11 are still free, Pak told”, *Times of India*, June 29, 2010.

37 “Verdict a message to Pakistan and terrorists, says Moily”, *The Hindu*, May 6, 2010, <http://beta.thehindu.com/news/national/article423703.ece>

38 “Kasab verdict a message to Pakistan: Chidambaram”, *The Hindu*, May 3, 2010, <http://beta.thehindu.com/news/national/article420565.ece>

39 “Pakistan admits India attack link”, *BBC News*, December 2, 2009, http://news.bbc.co.uk/go/pr/fr/-/2/hi/south_asia/7885261.stm

40 Randeep Ramesh, “Indian PM accuses Pakistan agencies of supporting Mumbai terror attacks”, *Guardian.co.uk*, January 06, 2009.

Early indications of pressure on Pakistan from all avenues were felt. Richard Boucher also noted that it is “clear that the attackers had links that lead to Pakistani soil.”

41 Hasan-Askari Rizvi, “Analysis: Terrorism in Pak-India relations”, *Daily Times*, April 04, 2010.

- 42 Randeep Ramesh, “Indian PM accuses Pakistan agencies of supporting Mumbai terror attacks”, *Guardian.co.uk*, January 06, 2009.
- 43 Praveen Swami, “ISI & the buried truths about Mumbai”, *The Hindu*, May 17 2010.
- 44 “India sponsoring terrorism in Pakistan: Malik”, *Dawn*, September 23, 2009, <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/06-india-sponsoring-terrorism-in-pakistan-malik-rs-04>
- 45 Dr. Suba Chandran, “Ajmal Kasab: Battle won, what about the war?”, *Institute of Peace and Conflict Studies Article 3119*, May 7, 2010.
- 46 “Deadlock over Pakistan’s Mumbai suspects”, *BBC News*, May 3, 2010.
- 47 “Face to face with Pakistan’s most wanted”, *The Independent*, March 26, 2010.
- 48 “Deadlock over Pakistan’s Mumbai suspects”, *BBC News*, May 3, 2010.
- 49 Jason Burke, “India-Pakistan talks centre on terrorism but fail to make progress”, *Guardian.co.uk*, February 25, 2010, <http://www.guardian.co.uk/world/2010/feb/25/india-pakistan-talks-terrorism>
- 50 R. Vasudevan. “Pakistan Minister sees rift between Manmohan Singh and Congress over better ties”, *Asian Tribune*, April 29 2010.
- 51 Hasan-Askari Rizvi, “Analysis: Terrorism in Pak-India relations”, *Daily Times*, April 04, 2010.
- 52 Ibid.
- 53 Daniel Maekey, “Mumbai: A battle in the war for Pakistan”, *Council on Foreign Relations Expert Brief*, December 12, 2008, <http://www.cfr.org/publication/17981/mumbai.html>
- 54 Ashley J. Tellis, “Bad company: Lashkar-e-Tayyiba and the growing ambition of Islamist militancy in Pakistan”, *Carnegie Endowment for International Peace*, March 11, 2010. This comes from the congressional testimony given by Tellis, <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=40330>
- 55 Daniel Maekey, “Mumbai: A battle in the war for Pakistan”, *Council on Foreign Relations Expert Brief*, December 12, 2008, <http://www.cfr.org/publication/17981/mumbai.html>
- 56 Stephen Tankel, “Lashkar-e-Taiba in perspective: an evolving threat”, *New America Foundation*, February 25, 2010, http://counterterrorism.newamerica.net/publications/policy/lashkar_e_taiba_in_perspective
- 57 Ibid.
- 58 Daniel Maekey, “Mumbai: A battle in the war for Pakistan”, *Council on Foreign Relations Expert Brief*, December 12, 2008, <http://www.cfr.org/publication/17981/mumbai.html>
- 59 Hasan-Askari Rizvi, “Analysis: Terrorism in Pak-India relations”, *Daily Times*, April 04, 2010.
- 60 Ashley J. Tellis, “Bad company: Lashkar-e-Tayyiba and the growing ambition of Islamist militancy in Pakistan”, *Carnegie Endowment for International Peace*, March 11, 2010, <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=40330>
- 61 “A historical trial awaits a historical verdict”, *The Hindu*, April 1, 2010, <http://beta.thehindu.com/news/national/article347229.ece>
- 62 Dr. Suba Chandran, “Ajmal Kasab: Battle won, what about the war?”, *Institute of Peace and Conflict Studies Article 3119*, May 7, 2010.
- 63 Ishtiaq Ahmed, “India-Pakistan relations post-Mumbai terrorist attacks”, *Institute of South Asian Studies, National University of Singapore – ISAS Insights No. 89*, January 2010.
- 64 Dr. Shaheen Akhtar and Sidra Tariq, “The India-Pakistan peace process”, *Institute of Regional Studies, IRS Regional Brief No. 16*, January-February 2010.
- 65 Jason Burke, “India-Pakistan talks centre on terrorism but fail to make progress”, *Guardian.co.uk*, February 25, 2010, <http://www.guardian.co.uk/world/2010/feb/25/india-pakistan-talks-terrorism>
- 66 Randeep Ramesh, “Indian PM accuses Pakistan agencies of supporting Mumbai terror attacks”, *Guardian.co.uk*, January 6, 2009.
- 67 Sumit Ganguly, “What if Pakistanis strike again”, *Current History*, April 2010.
- 68 Ishtiaq Ahmed, “India-Pakistan relations post-Mumbai terrorist attacks”, *Institute of South Asian Studies, National University of Singapore – ISAS Insights No. 89*, January 2010.
- 69 Sumit Ganguly, “Counterterrorism cooperation in South Asia”, *National Bureau of Asian Research Special Report 21*, December 2009.
- 70 I.A.Khanzada, “Indus Water Treaty-1960 in doldrums,” <http://www.pakspectator.com/indus-water-treaty-1960-in-doldrums/>

- 71 Original text of Indus water treaty, Pakistan Treaty series 1954-60, Vol II, Min of Foreign Affairs, Govt of Pakistan. p. 555.
- 72 Ibid., p.557.
- 73 Amy Kazmin, “India and Pakistan to arbitrate water feud”, *Financial Times*, June 18, 2010, http://www.ft.com/cms/s/2587c9b4-7aba-11df-8549-00144feabdc0,Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F2587c9b4-7aba-11df-8549-
- 74 “Swiss, Slovak experts to represent India in Kishanganga dispute”, *The Hindu*, 16 June, 2010.
- 75 Farzana Shah, “Hydrological war of India against Pakistan – plans, impact and consequences”, *Brass Tacks Security Analysis*, April 20, 2010.
- 76 “Pakistan withdraws objections to two IHK power projects”, *Daily Times*, June 03, 2010.
- 77 “PM extends ‘hand of friendship’ to Pak”, *Times of India*, October 29, 2009.
- 78 “‘Quiet’ dialogue for ‘unique’ J&K solution: Chidambaram”, *Indian Express*, October 15, 2009.
- 79 “Manmohan’s message significant, says Omar”, *The Hindu*, October 30, 2009.
- 80 “Ready for sincere talks: Hurriyat”, *Times of India*, November 7, 2009.
- 81 Ibid.
- 82 “‘Quiet’ dialogue for ‘unique’ J&K solution: Chidambaram’, op. cit.
- 83 “Hurriyat holds secret meeting with Chidambaram”, *The Hindu*, November 17, 2009.
- 84 Ibid.
- 85 “Our goal: Delhi-Srinagar pact, Pak on board”, *Indian Express*, November 18, 2009.
- 86 Ibid.
- 87 “Talks with Centre yet to start: Mirwaiz”, *Times of India*, November 22, 2009.
- 88 “30,000 troops withdrawn from J&K since last year”, *The Hindu*, December 19, 2009.
- 89 “Jammu and Kashmir Assessment –year 2010”, *South Asia Terrorism Portal*, <http://www.satp.org/satporgtp/countries/india/states/jandk/>
- 90 Ibid.
- 91 “76% of militants killed in Kashmir in two years are foreigners”, *The Hindu*, March 20, 2010.
- 92 “Pakistan refuses to close 42 ‘terror’ camps : India”, *Dawn*, March 17, 2010.
- 93 “Violence down, infiltration up in JK: Chidambaram”, *Press Trust of India*, February 19, 2010.
- 94 “Infiltration from Pak continues”, *Times of India*, February 19, 2010.
- 95 “Nothing wrong in return of militants: PC”, *The Daily Excelsior*, February 17, 2010.
- 96 “Policy for return of militants from POK in final phase: Omar”, *Indian Express*, May 12, 2010.
- 97 “Kashmir solution just a signature away: Kasuri”, *The News*, April 24, 2010.
- 98 “‘Interim pact’ on Kashmir was for 15 years: Kasuri”, *The News*, April 28, 2010.
- 99 “India Pakistan were close to solve Kashmir issue: Musharraf”, *The Nation*, February 26, 2010.
- 100 “Qureshi rejects Musharraf Govt claim on Kashmir”, *Dawn*, February 7, 2010.
- 101 “Ready for dialogue on Jammu and Kashmir”, *Times of India*, May 25, 2010.
- 102 “Mirwaiz rules out talks with centre”, *Times of India*, June 1, 2010.
- 103 Ibid.
- 104 “Lashkar elements behind J&K trouble: PC”, *Indian Express*, July 1, 2010.
- 105 “Separatists are gaining ground”, *Times of India*, July 3, 2010.
- 106 “Infiltration attempts into Kashmir increasing: Antony”, *Times of India*, July 7, 2010.
- 107 “Congress blames Pak for turmoil in Kashmir”, *Times of India*, July 8, 2010.
- 108 “Singh’s Kashmir plan in shambles”, *Daily Times*, June 7, 2010.
- 109 “Haven’t built on gains in Kashmir: Army Chief”, *Times of India*, July 11, 2010.
- 110 Pravar Sahoo, for instance, is of the view that trade will only come about if political steps to attain peace are taken early. Mohsin S. Khan from the Peterson Institute considers economics as opposed to politics to be the leading vehicle for peace between countries. The same is the case with S. Akbar Zaidi. The work of all three of these analysts provides insights that have been included in this paper.
- 111 S. Akbar Zaidi, “India-Pakistan Trade”, *South Asian Journal*, April-Jun 2004, http://www.southasianmedia.net/Magazine/Journal/indiapakistan_trade.htm
- 112 Mohsin S. Khan, “India-Pakistan Trade: A Roadmap for Enhancing Economic Relations”, *Peterson Institute for International Economics*, Number PB09-15, July 2009.
- 113 Ibid.
- 114 S. Akbar Zaidi, “India-Pakistan Trade”, *South Asian Journal*, April-Jun 2004, http://www.southasianmedia.net/Magazine/Journal/indiapakistan_trade.htm

-
- ¹¹⁵ Mohsin S. Khan, “India-Pakistan Trade: A Roadmap for Enhancing Economic Relations”, *Peterson Institute for International Economics, Number PB09-15*, July 2009.
- ¹¹⁶ Arif Nizami, “Finally, a thaw”, *The News*, May 01, 2001.
- ¹¹⁷ Pravar Sahoo, “China’s growing presence in India’s neighborhood”, *East Asia Forum*, February 5, 2010.
- ¹¹⁸ Abid Qamar, “Trade between India and Pakistan: potential items and the MFN Status”, *SBP-Research Bulletin* Volume 1 Number 1, 2005.
- ¹¹⁹ S. Akbar Zaidi, “India-Pakistan Trade”, *South Asian Journal*, April-Jun 2004, http://www.southasianmedia.net/Magazine/Journal/indiapakistan_trade.htm
- ¹²⁰ Mohsin S. Khan, “India-Pakistan Trade: A Roadmap for Enhancing Economic Relations”, *Peterson Institute for International Economics, Number PB09-15*, July 2009.
- ¹²¹ S. Akbar Zaidi, “India-Pakistan Trade”, *South Asian Journal*, April-Jun 2004, http://www.southasianmedia.net/Magazine/Journal/indiapakistan_trade.htm
- ¹²² Akmal Hussain, “A perspective on peace and economic cooperation in South Asia”, in, Sadiq Ahmed, Saman Kelegama and Ejaz Ghani (eds.), World Bank study *Promoting Economic Cooperation in South Asia*. SAGE Publications, New Delhi, 2010. Ch. 1.
- ¹²³ Ibid.
- ¹²⁴ “Trade and Payments”, Chapter 8 in the *Economic Survey of Pakistan 2009*.
- ¹²⁵ Dr. Kamal Monoo, “Current Pal-India talks – trade perspective”, *The Nation*, February 27, 2010.
- ¹²⁶ Ibid.
- ¹²⁷ Mohsin S. Khan, “Improving India-Pakistan Relations through trade”, *East Asia Forum*, April 19, 2010.
- ¹²⁸ “Trade and Payments”, op. cit.
- ¹²⁹ Abid Qamar, op. cit.
- ¹³⁰ Mohsin S. Khan, op. cit.
- ¹³¹ Dr. Shaheen Akhtar and Sidra Tariq, op. cit.
- ¹³² Ibid.
- ¹³³ “Pak-India Trade could reach \$10 b annually – Indian High Commissioner”, *The News*, May 6, 2010.