

Shaheen Akhtar

INDIA-PAKISTAN PEACE PROCESS: CHALLENGES AND PROSPECTS

Abstract

India-Pakistan composite dialogue process resumed in 2004 has been slowed down in last couple of years due to asymmetry of perceptions and expectations in Pakistan and India over the issue of Kashmir and terrorism respectively. The joint statement of 6 January 2004 that set the broad parameters of the peace process had tried to draw a delicate balance between India's concern on "terrorism" and Pakistan's apprehension regarding the resolution of the "Kashmir" issue. It had also introduced the principle of simultaneity, implying parallel progress on all issues taken up by the eight joint working groups originally set up in 1997. These included Peace and Security, including Confidence Building Measures (CBMs), Jammu and Kashmir, Siachen, Wullar Barrage/Tulbal Navigation Project, Sir Creek, Terrorism and Drug-Trafficking, Economic and Commercial Cooperation and Promotion of Friendly Exchanges in various fields. In the last four years, the normalization process has moved forward, but conflict resolution process has not showed much concrete progress. There has not been any breakthrough on even lesser contentious issues. There is an urgent need that India and Pakistan should take concrete steps to build on convergences to resolve the Kashmir dispute and address the question of terrorism in their bilateral relations.

Shaheen Akhtar, Ph.D., is Research Fellow, Institute of Regional Studies, Islamabad, Pakistan. Her E-mail is: shaheen_a50@yahoo.com

Introduction

The ongoing India-Pakistan composite dialogue process is moving at a very slow pace for the past two years. The dialogue process was resumed in 2004 following a meeting between President Musharraf and Prime Minister Vajpayee at the sidelines of 12th SARRC summit in Islamabad. The Joint Statement issued on 6 January, at the end of the meeting between the two leaders set broad parameters of the peace process between the two countries. The joint statement reflected the importance attached to the issue of 'terrorism' and 'Kashmir' by India and Pakistan respectively. It tried to draw a delicate balance between India's concern on "terrorism" and Pakistan's apprehension regarding the marginalization of the "Kashmir" issue. New Delhi agreed that "the resumption of the composite dialogue will lead to peaceful settlement of all bilateral issues, including Jammu and Kashmir". Islamabad agreed that it "would not permit any territory under Pakistan's control to be used to support terrorism in any manner."¹ The two also accepted the principle of simultaneity. This signified that the issue of Kashmir and terrorism would define the parameters of progress in the peace process.

The paper would analyze how asymmetry in perceptions and expectations in India and Pakistan over the issues of Kashmir and terrorism has shaped the pace and the direction of the peace process in the last four years. How can the main challenges emerging out of these two issues be met? It argues that there is an urgent need for Islamabad and New Delhi to build on convergences on both problem areas and adopt a more realistic and pragmatic approach which would also help in narrowing down expectation gap in both countries.

Drivers of Current Peace Process

The current peace process is taking place amid three broad changed military/strategic, economic and political realities that would greatly shape the contours of war and peace in the South Asian region. First, the nuclearization of India and Pakistan has

¹ "Pakistan, India Joint statement", *Dawn*, Islamabad, 07 January 2004.

ruled out a military solution to the political problems including the Kashmir dispute. The two major Indo-Pakistan crises after nuclearization, the Kargil conflict in 1999 and the military stand-off in 2001-02, clearly demonstrated that the parties to the conflict had reached a real impasse — a 'hurting stalemate' — where neither could impose a unilateral or military solution on Kashmir. This implied that both sides have to recourse to a peacefully negotiated settlement of the dispute. Further, the two countries cannot stabilize nuclear deterrence unless they address the root cause of the mutual tension and hostility.

Second, growing economic imperatives for peace in the region are driving both sides to settle their mutual problems. There seems to be a growing realization in both countries that poverty is their 'common enemy'. Further, they cannot ensure economic development without creating peaceful environment in the region. This is reinforced by pressures exerted by the forces of globalization which are compelling the leaders on both sides to respond to geo-economic realities. India is keen to achieve high rates of economic growth, which needs political stability, an inflow of foreign investment and an energy corridor from Pakistan. This requires peace with Pakistan. Globalization is also driving Pakistan to end its conflict with India and focus more on its own internal stability and economic development. The rising and increasingly vocal middle class in both societies is becoming more interested in peace and economic opportunity than in the continuation of conflict.

Third, the domestic and international political realities are driving governments in India and Pakistan to avoid conflict and ensure stability in the region. Domestically, civil society and business community in both the countries are actively supporting peace in the region. The challenges of nation building that these states are facing by pursuing traditional paradigms of national security are also bringing the issues of human security to the forefront. Human security is not possible unless political choices are made to allocate more resources for the welfare of the people. To make this goal achievable, they must pursue conflict resolution in the region.

Internationally, the political environment has undergone a dramatic change after the end of the Cold War, especially after 9/11.

There is a major shift in US focus to fighting terrorism, extremism and Islamic fundamentalism, most of the times all linked together. Within this context, the major actors in the international community such as the EU, China and especially the US want stability in the region so as to ensure its vital political, strategic and economic interests. Hence, there is a strong international support for the peace process. Besides, the international trends such as regional cooperation and security in non-traditional areas are exerting pressure on India and Pakistan to make peace. This convergence of international and domestic factors is both crucial and unprecedented and offers opportunity to make this peace process a success. The crucial question is: how would the perception of the emerging realities actually influence political leadership and security establishments in both countries to pursue this peace process?

Composite Dialogue 2004-2008

The Composite Dialogue is an integral part of the ongoing Pakistan-India peace process. It is aimed at confidence-building, normalization of bilateral relations and dispute resolution. Since March 2004, there have been four rounds of composite dialogue while the fifth round is facing rough weather ever since it was launched in July 2008. The composite dialogue conducted at different governmental levels comprises eight working groups. They are Peace and Security, including Confidence Building Measures (CBMs), Jammu and Kashmir, Siachen, Wullar Barrage/Tulbal Navigation Project, Sir Creek, Terrorism and Drug Trafficking, Economic and Commercial Cooperation and Promotion of Friendly Exchanges in various fields. While the first two issues are taken up at the foreign secretaries' level, all other issues are dealt with at the secretaries' level.

In the last four years the "normalization" process has moved forward, but "conflict resolution" process has not showed much concrete progress. Moreover, there has been no major breakthrough on the lesser contentious issues, such as Siachen, Sir Creek, Baglihar, Wullar Barrage and Kishenganga projects. On Siachen,²

² Siachen is a 72-kilometer glacier, north of the grid reference NJ 9842, where CFL/LoC affected in J&K in 1949 ends. The glacier region was not

difference between the Indian and Pakistani positions over the issue of demarcation of the glacier and authentication of maps showing the existing positions of Indian troops is yet to be resolved. Conversely, on 13 September 2007, India decided to open the disputed Siachen glacier for "adventure tourism" and sent a team of trekkers to the area, which has come as a setback to the peace process. On Sir Creek³ there was some forward movement. A joint survey was completed in March 2007. The parties have exchanged maps/charts showing their respective positions on the delineation of land border in Sir Creek and delimitation of the maritime boundary. This is the first time ever that the two sides have exchanged maps on Sir Creek. Siachen and Sir Creek are considered as doable but require political will on both sides. On the water related issues such as Baglihar⁴, Wullar barrage and Kishenganga⁵ projects, the talks have been unable to produce positive results.

On the positive side, a number of CBMs have been agreed in the strategic sector, people-to-people contacts, and economic cooperation. There have been at least four substantive agreements in the area of conventional CBMs. These include establishment/operationalization of a hotline between Pakistan Maritime Security Agency and the Indian Coast Guards (4 October 2005), establishment of a dedicated and secure hotline between the two foreign secretaries, upgrading the existing hotline between Directors General of Military Operations (DGMOs) of the two countries and implementation of the 1991 Agreement on Air Space

demarcated and a notional line ran north to the glacier. The dispute arose in 1984 when India occupied the glacier. India maintains that line from NJ 9842 extends to Indira Col while Pakistan says it extends to Karakorum pass.

³ Sir Creek is a 69-kilometre narrow strip that lies between the Indian state of Gujarat and the Pakistani province of Sindh. From the Indian point of view, Sir Creek boundary lies in the middle of the channel, while Pakistan maintains that it is on the east bank.

⁴ Baglihar is a 900-megawatt hydro-electric project along the River Chenab in the Indian held Kashmir.

⁵ 330-MW Kishenganga hydro-electric project on Neelum River. The project plans diversion of Neelum River to Wullar Lake which will interfere with flow of water for Neelum Valley in AJK.

Violations in letter and spirit. In the nuclear field there were two major CBMs. These include agreement on Pre-notification of Flight Testing of Ballistic Missile (3 October 2005) and agreement on Reducing the Risk from Accidents relating to Nuclear Weapons, (21 February 2007). The first agreement entails that both countries will provide each other advance notification of any flight test that it intends to undertake of any surface-to-surface ballistic missile.⁶ The second agreement makes it mandatory for the two governments to inform the other side immediately in such events, especially if this could lead to an accidental nuclear war. It has come into force immediately. The agreement is for five years, to be extended for successive periods of another five years. Both agreements are important steps in improving confidence and reducing nuclear dangers in the subcontinent. However, no headway is being made on Pakistan's proposal of 'Nuclear and Conventional Restraint Regime' and India's proposal of 'No First Use'.

In the past four years there has also been phenomenal growth in people-to-people contact as visa regime is much more liberalized than before. The commercial and economic relations have also improved a lot. Joint Economic Commission and Joint Business Council had been revived and bilateral trade had gone up from \$200 million in 2004 to \$1.677 billion in 2006-07.⁷ The two also agreed to look at a number of steps to multiply bilateral trade over five times to 10 billion dollars by 2010. The economic ties, however, remained stymied under the shadow of pace of progress on the Kashmir issue and Pakistan has not as yet accorded the Most Favoured Nation (MFN) status to India.

Kashmir

Kashmir dominated the last four years of dialogue process. It has been discussed both as part of composite dialogue as well as in

⁶ Agreement/MoU signed between India and Pakistan during External Affairs Minister's visit to Pakistan on 3 October 2005, available at: <http://meaindia.nic.in/speech/2005/10/03ss01.htm>, accessed on 31 January 2008.

⁷ Jawed Naqvi, "Pakistan, India eye \$10bn trade", *Dawn*, 02 August 2007.

the back channel set up at the official level. A ceasefire on the Line of Control (LoC) extended to Siachen was affected in November 2003, which in fact led to the resumption of bilateral dialogue.

On Kashmir, some CBMs such as resumption of Srinagar-Muzaffarabad (April 2005) and Poonch-Rawalakot (June 2006) bus services; opening of five cross-LoC points⁸ (October 2005) and two meeting points⁹; cross-LoC truck service for trade on the Srinagar-Muzaffarabad and Poonch-Rawalakot routes have been put in place. India has also allowed leaders of All Parties Hurriyat Conference (APHC) - an umbrella organization comprising pro-freedom groups, to visit Pakistan and Pakistan administered Azad Jammu and Kashmir (AJK) and meet Kashmiri and Pakistani leadership. There was an agreement on monthly flag meetings along the LoC between the local area commanders. In 2006, another agreement was signed on the speedy return of inadvertent line crossers and an agreement not to develop new posts and defence works along the LoC. The other CBMs on the table are holding of sports events on both sides of Kashmir, and starting of a helicopter service and postal service between Muzaffarabad and Srinagar. Besides, India has proposed a bus service between Skardu and Kargil and Pakistan had agreed to look into the suggestion.

The benefit of the Kashmir-specific CBMs has, however, been limited due to the difficulties in the way of their operationalization. For instance, the processing of entry permit has been made very difficult due to clearance from various intelligence agencies which cause long delays, while the bus services operated only fortnightly. As a corollary, only 4000 people could travel in last 3 years while thousands of applicants are in the waiting list. In the fourth round of dialogue on Kashmir held in March 2007, both sides agreed to ensure implementation of already agreed Kashmir-related CBMs and

⁸ India, Pakistan agreed to open 5 crossing points across LoC in October 2005 in the wake of earthquake. These included Nauseri-Tithwal; Chakothi-Uri; Hajipir-Uri; Rawalakot-Poonch; Tattapani-Mehandar. Of these, three were inaugurated and only two Chakothi-Uri and Rawalakot-Poonch are operational.

⁹ The two meeting points along the LoC are Chakan da Bagh and Chakothi, but they are not operational.

rationalization of five crossing points across the LoC.¹⁰ Within this context, the Working Group on Cross-LoC CBMs met on 19 July 2008 and discussed effective implementation of existing cross-LoC measures which were approved at the foreign secretary level talks held in New Delhi on 21 July 2008. A number of CBMs announced included: 1) introduction of a triple entry permit for cross-LoC travel; 2) simplification of procedures for getting the permit which at present takes at least two years; 3) an increase in the frequency of the two cross LoC bus services-Srinagar-Muzaffarabad and Poonch-Rawalakot to be weekly instead of fortnightly.¹¹

As regards the triple entry permits, a separate form has been finalized and all three entries will have to be from the same crossing point. The facility would be automatically available to senior citizens and accompanying spouses. Both sides have also decided to take steps to reduce processing time for applications, hold monthly coordination meetings of the designated authorities, with a provision to convene urgent meetings whenever needed. The designated authorities will also reconcile data regarding crossings regularly. It was also decided to allow a maximum of 60 persons per crossing.¹² The designated authorities would start exchanging applications for permits by e-mail that would require to be backed up by hard copies. Also the clearance would be processed within a week in case of emergencies like death of close relative across LoC, but the stay in such cases would be limited to maximum seven days.

While these CBMs may be worthwhile and contribute in creating conducive environment for dialogue between India and Pakistan on Kashmir, they do not constitute substantive and structured dialogues on Kashmir. India has yet to come up with CBMs on normalizing situation inside occupied Kashmir, i.e., announcing gradual reduction of troops, abrogating repressive laws

¹⁰“Pakistan, India to sign visa accord,” *Daily Times*, Lahore, 15 March 2007, available at: http://www.dailytimes.com.pk/default.asp?page=2007\03\15\story_15-3-2007_pg1_1, accessed on 15 March 2007

¹¹ “Pakistan-India discuss Kashmir CBMs”, *Daily Times*, Lahore, 19 July 2008.

¹² Iftikhar Gilani, “India, Pak resort to blame game: Bus to move every week across LoC”, *The Kashmir Times*, Jammu, 22 July 2008.

such as Special Powers (Armed Forces) Act, releasing of political prisoners, putting an end to human rights violations, rehabilitating victims of violence etc. Regrettably, India has not made any effort to extend ceasefire to freedom fighters in occupied Kashmir. It has also resisted the inclusion of the Kashmiris in the peace process.

Pakistan's Kashmir Initiative and India's Response

Pakistan always wanted to move from the stage of dispute management to dispute resolution in order to find an early settlement of the Kashmir dispute. Under former President General Musharraf, Pakistan showed remarkable flexibility and imaginative thinking in offering different "out of box" proposals that could satisfy aspirations of Kashmiris' while taking care of India's and Pakistan's sensitivities in Kashmir. India, on the other hand, has not yet budged an inch from its officially stated position. Musharraf made several statements that a solution to the Kashmir problem may be sought outside the conventional position adopted by the establishment in India and Pakistan. He even offered to drop the demand for a UN-mandated plebiscite in Kashmir and meet India 'halfway' to resolve the dispute provided India also shows the matching flexibility.

He identified a number of potential options to resolve Kashmir dispute. First, he advocated a four-stage formula for the resolution of Kashmir which included the recognition of Kashmir as a dispute, the initiation of a dialogue, shedding of mutually unacceptable solutions, and securing a win-win situation. In October 2004, he proposed a three-phased formula. In the first phase, seven regions of Kashmir along ethnic and geographic lines would be identified. In the second phase, these would be demilitarized, in the third and in the final phase, their legal and constitutional status would be determined. This could take many shapes, including options such as a condominium, the UN control or any other agreed formula. India, however, rejected the proposal outrightly.

In June 2006, he floated ideas based on 'demilitarization and maximum self-governance' in Kashmir. In December 2006, in an interview with NDTV, he elaborated these ideas. He said: (i) Kashmir will have the same borders but people will be allowed to move freely back and forth in the region, (ii) the region will have self-governance or autonomy, but not independence. (iii) troops will

be withdrawn from the region in a phased manner; (iv) a joint supervision mechanism will be set up, with India, Pakistan and Kashmir represented on it.¹³ Pakistan formally tabled the ideas of demilitarization and self-governance in the foreign secretary level talks held in New Delhi in January 2006. There has not been an official word on India's response to these proposals, though it is widely believed that back channel involving Pakistan's former National Security advisor Tariq Aziz and India's point man S. K. Lamba were discussing the pros and cons of the proposal.

India has not as yet demonstrated any matching flexibility and boldness on the resolution of Kashmir. It has not formally moved away from its stated position that Kashmir is an integral part of India. Before assuming office in May 2004, Manmohan Singh in an interview observed that India could accept a compromise with Pakistan on Kashmir which is: "[Short] of secession, short of redrawing boundaries, the Indian establishment can live with."... "We need soft borders - then borders are not important... People on both sides of the border should be able to move freely."¹⁴ On the question of plebiscite that was promised by Nehru, he observed, "a plebiscite would take place on the basis of religion. It would unsettle everything. No GOI could survive that. Autonomy we are prepared to consider. All these things are negotiable. But an independent Kashmir would become a hotbed of fundamentalism."¹⁵ Ever since Manmohan Singh has maintained that India will not accept any redrawing of boundaries or division of Kashmir on "religious lines."

Against this backdrop, initial Indian response to the four-point formula was quite lukewarm but slowly the Indian media and official circles began to show some interest in the proposal especially on the idea of self-governance for Kashmir. There was, however, a lot of opposition to the idea of demilitarization and joint management/supervision mechanism. Although Prime Minister Manmohan Singh made some positive utterances in this connection,

¹³ Jawad Naqvi, "Musharraf's four-stage Kashmir peace plan", *Dawn*, 06 December 2006.

¹⁴ "Manmohan Singh open to soft borders with Pakistan", *Times of India*, New Delhi, 26 May 2004.

¹⁵ *Ibid.*

many in the administration have been critical of the idea of demilitarization and joint management. In his Amritsar pronouncements in March 2006, Mr. Singh, while rejecting the idea of redrawing of borders, spoke of making them irrelevant, "just a line on the map", so that "people on both sides of the LoC should be able to move freely and trade with one another." He virtually accepted the concept of a "joint supervision mechanism" by suggesting that the "two parts of J&K with the active cooperation of India and Pakistan can work out cooperative consultative mechanism so as to maximize the gains of cooperation in solving problems of social and economic development of the region."¹⁶

Foreign Minister Pranab Mukherjee, however, strongly opposed the idea of demilitarization and joint management. On 01 May 2007, he told *Rajya Sabha* that "any demilitarization or redeployment of security forces within the territory is a sovereign decision of the Indian government, based on our own assessment or the prevailing security situation". He also ruled out talks on the concept of "joint management" for Kashmir, saying "it cannot be the basis for a settlement of the issue of Jammu and Kashmir."¹⁷ He asserted that J&K was an integral part of India, and, therefore concepts like joint management could not serve as the basis for any solution to the Kashmir issue. The Indian army also rejected the proposed idea of demilitarization and joint management. On 9 January 2007, a spokesman of the Indian army for the first time came out against Musharraf's proposals. He described "joint management" as a "dangerous proposal" because it would dilute India's control over "two-thirds" of the original state of J&K.¹⁸ However, the defence ministry's annual report placed in the Indian Parliament on 20 March 2007, observed that India was open to "cooperative and consultative mechanisms on Jammu and Kashmir involving two parts of the state with the active encouragement of New Delhi and Islamabad. Such cooperative mechanism can multiply the gains of

¹⁶ Satish Chandra, "A sellout on Kashmir", *The Asian Age*, New Delhi, 10 January 2007.

¹⁷ Iftikhar Gilani, "India rules out joint management", *Daily Times*, Lahore, 02 May 2007.

¹⁸ "Army rejects Pak proposals on joint management". *The Tribune*, Chandigarh, 10 January 2007.

cooperation in solving the problems of social and economic development of the region.¹⁹ This implied that although India had not officially moved away from its traditional position on Kashmir, it was becoming more amenable to cross-LoC cooperation.

There was some positive movement in India's stance towards the resolution of the Kashmir issue by making borders irrelevant which was reflected in the meeting between the leadership of the two countries. On 24 September 2004 when Musharraf and Manmohan Singh met on the sidelines of the United Nations General Assembly, they agreed that on Kashmir all "possible options for a peaceful, negotiated settlement of the issue should be explored in a sincere spirit and purposeful manner."²⁰ In April 2005, Musharraf and Manmohan Singh met in New Delhi and termed the peace process "irreversible" and agreed to continue discussions on Kashmir in a "sincere and purposeful and forward looking manner for a final settlement."²¹ At the Havana summit held in September 2006, again both leaders showed desire to build up on convergences and narrow down the divergences on Kashmir. On 16 July 2007, Manmohan Singh, addressing the special convocation of the University of Jammu, expressed the hope that "Jammu and Kashmir can, one day, become a symbol of India-Pakistan cooperation rather than of conflict."²² The Line of Control could become a "Line of Peace" with a freer flow of ideas, goods, services and people and the land and water resources of divided Kashmir could jointly be used for the benefit of the people living on both sides of the LoC. However, he made it clear that there can be no question of divisions or partitions -

¹⁹ "India ready for cooperative mechanism on J-K", *The Tribune*, Chandigarh, 21 March 2007.

²⁰ Joint Statement by Indian Prime Minister Dr. Manmohan Singh and Pakistan President Mr. Pervez Musharraf after they met on the sidelines of United Nations General Assembly, 24 September 2004, available at: <http://www.kashmirherald.com/declarations/newyork9242004.html>.

²¹ India-Pakistan Joint Statement, 18 April 2005, available at <http://www.kashmirherald.com/declarations/newdelhi4182005.html>

²² Sanjeev Pargal 'LoC could be Line of Peace if terror, violence, end permanently' - Land, water resources can be used jointly on both sides of LoC: PM", *Excelsior*, Jammu, 16 July 2007, available at: <http://www.dailyexcelsior.com/web1/07july16/index.htm>.

borders cannot be changed, but they can be made irrelevant. He also pointed out that the dream of a "line of peace" could be realized only "once terrorism and violence ends permanently."

Back Channel on Kashmir

There has also been some progress made in the back channel on the resolution of Kashmir issue. The back channel between India's national security advisor Brajesh Mishra and Pakistan president's point man Tariq Aziz was established in May 2003. It was instrumental in establishing the key principle of simultaneity on the issues of terrorism and Kashmir that underlie the 6 January 2004 joint statement. It also helped in working out modalities of travel regarding Srinagar-Muzaffarabad bus service. Back channel also helped the leaders to reach an agreement on anti-terror panel.

Back-channel diplomacy was actively employed regarding Musharraf's four-point formula on Kashmir. In an editorial in an Indian daily *The Tribune*, H. K. Dua observed that Lambah-Aziz channel had travelled a considerable distance even on Kashmir. Officially, neither government has acknowledged the areas of convergence on Jammu and Kashmir but a few points where the interlocutors have come to a sort of understanding are already known in the public domain. They are:

- No change in the territories;
- Open borders in Jammu and Kashmir;
- Autonomy for both sides of Kashmir;
- Joint consultative commissions to be set up on both sides of Line of Control; and
- Reduction of forces on both sides of Jammu and Kashmir; in other words, demilitarization.²³

The back channel lost momentum in the wake of formation of coalition government in Pakistan in March 2008 but progress achieved has not been reversed. There were some indications that back channel dialogue on the issue of Kashmir between the new Pakistan National Security Advisor, Major General (retd) Mahmood

²³ H. K. Dua, "Put peace process back on track", (Editorial) *The Tribune*, Chandigarh, 26 March 2008.

Durrani and his Indian counterpart, S. K. Lambah, would be resumed. Durrani and Indian National Security Advisor M. K. Narayanan held a meeting on 14 October 2008 and discussed ways to abide by the ceasefire in Kashmir.

Pakistan and Internationalization of Kashmir

While engaged in composite dialogue with India, Pakistan also tried to draw world's attention to the faster resolution of the Kashmir issue and distinguish it from the terrorism problem as advocated by India. In September 2005, during his meeting with President Bush, Musharraf stressed that India's troops reduction would unlock a solution to the Kashmir issue.²⁴ Similarly, in his address at the UN, he highlighted the 'legitimate struggle of the Kashmiri people to exercise their right of self-determination in accordance with the UN resolution.'²⁵

Pakistan also tried to involve the European Union in the resolution of the Kashmir conflict. President Musharraf stressed on a more active role by the European Parliament in dispute resolution between Pakistan and India. Similarly, Prime Minister Shaukat Aziz also urged the European Parliament to make a meaningful contribution in facilitating a peaceful settlement of the Kashmir dispute. He underlined that Pakistan advanced several proposals, including demilitarization and self-governance in Kashmir which could serve as a basis of discussion to promote the settlement of the dispute.²⁶

Kashmiris and Peace Process

Kashmiris are considered central to any resolution of Kashmir dispute but they are not yet part of the peace process. The 6 January 2004 statement limits the solution of the "Kashmir issue to the

²⁴ Anwar Iqbal and Masood Haider, "Indian Premier to Visit Pakistan Next Month: Kashmir Solution to Satisfaction of 'both sides' Urged", *Dawn*, 16 September 2005.

²⁵ Full text of Musharraf's speech at UN, September 15, 2005 04:08 IST <http://in.rediff.com/news/2005/sep/15pmun1.htm>

²⁶ "President, PM seek EU role in settling Kashmir dispute", *The News*, Islamabad, 4 January 2007.

satisfaction of both sides” and Kashmiris were not made party to the bilateral dialogue. Kashmiris have extended full support to India-Pakistan talks but have vociferously demanded their inclusion in the dialogue making it a trilateral rather than a bilateral dialogue. Kashmiris contend that they are the main stakeholder and their involvement in the peace process is essential. Kashmiris also assert that a solution to the Kashmir dispute will be durable only when the Kashmiris from both sides of the LOC are taken into confidence. In their meetings with Kashmiri leaders in AJK, Kashmiris from both sides of the LOC demanded their involvement in the Pakistan-India talks and more CBMs measures to resolve the Kashmir dispute.²⁷

While Pakistan is for the inclusion of Kashmiris in the dialogue process, India is still reluctant to accept Kashmiris, as a party to the dispute. However, during the last four years of composite dialogue, there have been some positive movements on the intra-Kashmiri dialogue. Some meetings between Delhi and Kashmiris, and Islamabad and Kashmiris have also taken place but Kashmiris have not yet been formally integrated into the peace process. This has caused much frustration in the ranks of the Kashmiri leadership on both sides of the LoC who increasingly feel that peace process is just a bilateral exercise in which Kashmiris has not been given any role or say in deciding their fate.

Terrorism

The issue of terrorism figured high throughout the last four years of dialogue process between India and Pakistan and adversely affected the pace of the dialogue. A huge divergence of perception remained on the issue of terrorism. Lack of trust between the parties has only aggravated the situation. For India, Pakistan's efforts to curb terrorism have remained unconvincing. India has continued to maintain that Pakistan “sponsored” or Pakistan-based outfits are responsible for various incidents of terrorism taking place in India. Further, India continued to accuse Pakistan of not doing enough to stop “cross-border terrorism” into occupied Kashmir. This has been despite the fact that Pakistan has strongly condemned various acts of

²⁷ “Mirwaiz stresses inclusion of Kashmiris in peace talks,” *The News*, 27 January 2007.

terrorism in India and Indian occupied Kashmir and gave repeated assurances to the Indian government that it was trying its best to control terrorism by banning and cracking down on *jihadi* outfits. Two of the outfits - Lashkar-e-Tayyaba and Jaish-e-Mohammad that India accused were behind the Parliament attack on 13 December 2001 were banned in a speech by President Musharraf on 12 January 2002. However, India contends that these outfits continue to operate under different names. Hence, India threatened several times to suspend the peace process if Pakistan fails to "dismantle infrastructure of terrorism." New Delhi also tried to internationalize the issue by asking major international players, especially the US to put maximum pressure on Pakistan to respond to the Indian demands.

Cross LoC 'Infiltration' / 'Cross-Border Terrorism'

The issue of "cross-LoC infiltration" which India prefers to call "cross-border terrorism" continued to figure high in the statements made by the political and military leadership of India from time to time throughout the last four years of the peace process. Moreover, India strongly contended that the withdrawal of troops from the Indian occupied Kashmir and improvement of human rights situation was directly linked with the progress on the issue of terrorism.

India made complete ending of "cross-LoC infiltration" a bench-mark for the movement in the peace process. New Delhi, threatened to suspend dialogue in the wake of 20 July 2005 bomb attack in Srinagar in which a Major of the Indian Army and two soldiers were among five people who died.²⁸ Prime Minister Manmohan Singh observed, "he would not be able to go against public opinion if acts of terrorism can not be controlled. It affects my capacity to push forward the process of dialogue with Pakistan."²⁹ In his Independence Day speech on 15 August 2005, he termed

²⁸"Major incidents of terrorist violence in Jammu and Kashmir", *South Asia Terrorism Portal*, available at: http://satp.org/satporgtp/countries/india/states/jandk/data_sheets/majorincidents.htm.

²⁹ "End Terror for Peace, PM to Pak", *The Tribune*, Chandigarh, 21 July 2005.

Pakistan's steps to curb terrorism as "half-hearted efforts" and stressed, "it is necessary that entire infrastructure of terrorism is totally dismantled."³⁰ India also raised the issue of Pakistan's involvement in cross border terrorism at the international level and tried to use it as pressure tactic against Pakistan. Manmohan Singh took up July 2005 bomb attack in his meeting with President Bush and maintained that "Islamabad still controls the flow of terror" into Jammu and Kashmir.³¹ He also played on western fears saying, Pakistani nukes may fall into the hands of *jihadis*. Similarly, at New York, UN General Assembly session in 2005, Manmohan Singh stated that "cross-border terrorism [was] directed against [India's] unity and territorial integrity."³² Pakistan, however, dismissed Indian charges on terrorism and emphasized that there was "no infrastructure of terrorism anywhere in Pakistan or in territories under Pakistan's control."³³

In the past four years of the dialogue process, India has continued to allege that Pakistan has not completely dealt with the problem of "cross-LoC infiltration", though there were phases when it ebbed and surged. The defence ministry in its annual report for 2007 noted that India continued to have concerns on cross-border terrorism. In May 2007, India's Ministry for External Affairs (MEA) in its report blamed Pakistan for its "failure" in dealing with cross-border terrorism.³⁴ The security establishment in India also kept up pressure on the issue of "cross-LoC infiltration." On 6 June 2007, Indian army chief J.J. Singh observed that in the last few months there was a spurt in infiltration bids from across the LoC. He, in fact, blamed "elements in Pakistan Army" for backing militants sneaking into Indian occupied Kashmir.³⁵ On 19 June 2007, defence minister

³⁰ Text of PM Manmohan Singh's I Day address, *Hindu*, New Delhi, 15 August 2005, available at: <http://www.hindu.com/thehindu/nc/pmiday.htm>.

³¹ "PM to Talk Cross-border Terrorism, Siachen with Musharraf", *Hindustan Times*, New Delhi, 14 September 2005.

³² Text of Dr Singh's speech in the UN General Assembly, 16 September 2005, available at: <http://in.rediff.com/news/2005/sep/16pmun.htm>.

³³ "Terrorism Infrastructure Allegation Rejected", *Dawn*, 16 August 2005.

³⁴ "Ties with India", *The News*, Islamabad, 31 May 2007.

³⁵ "Pak Army backing militants: Army Chief", *The Tribune*, Chandigarh, 07 June 2007.

A. K. Antony observed that "on the whole there have been a few incidents but the number is not increasing,"³⁶ though he pointed out that in April the infiltration figures increased compared to the corresponding period last year. On 26 June 2007, again Antony expressed concern over continuing infiltration while on 27 June Director General of Police of occupied Kashmir stated that LoC fencing was not effective in containing infiltration.³⁷ On 11 November 2007, National Security Advisor M K Narayanan told a media conference that "cross-border infiltration" had increased in the recent weeks. He contended "that infiltration and the uncertain situation" across the border "crimps our drive to cut troops" in Jammu and Kashmir.³⁸ On 12 November 2007, Lt. Col. A.K. Mathur, PRO of the Srinagar-based 15 Corps, stated that "the infiltration from across the border [was] still going on and the number of infiltration attempts increase ahead of the snowfall."³⁹ The Indian intelligence sources also alleged that Pakistani intelligence agency ISI was planning to send a maximum number of Pakistani-trained militants to carry out militant activities, before snowfall closes all passes on LoC.⁴⁰

The year 2008 was even worse, as India raised the issue of "infiltration" more systematically and accused ISI for its involvement in the activity. On 16 February 2008, Indian Army sources stated that around 5,000 militants undergoing training at 52 camps across the LoC in AJK are ready to infiltrate into the Indian controlled valley to disrupt the upcoming assembly elections in the state.⁴¹ *The Hindu* on 26 March quoted the latest status paper on

³⁶ "Pak asked to authenticate AGPL in Siachen: No proposal of any demilitarisation: Antony", *Daily Excelsior*, Jammu, 19 June 2007, available at: <http://www.dailyexcelsior.com/web1/07june19/index.htm>.

³⁷ Rashme Sehgal, "LoC fencing not effective: J&K DGP", *The Asian Age*, New Delhi, 28 June 2007.

³⁸ "Infiltration has risen in recent weeks: India", *The Kashmir Times*, Jammu, 12 November 2007.

³⁹ "Ahead of winter, infiltration on the increase", *The Tribune*, Chandigarh, 13 November 2007.

⁴⁰ *Ibid.*

⁴¹ Tejinder Singh Sodhi, "5,000 ultras waiting to sneak into India", *The Tribune*, Chandigarh, 17 February 2008.

internal security, prepared by the Indian home ministry saying that "terror infrastructure" in Pakistan and AJK "remains largely intact and continues to be used by Pakistan-based and Inter-Services Intelligence sponsored outfits such as the Jaish-e-Mohammed, Lashkar-e-Tayyaba and the Al-Badr for carrying out acts of terror in different parts of India." However, on the overall security situation in occupied Kashmir, the status paper, conceded that there was a "declining trend in the level of violence since 2001 and infiltration declining by 7 per cent in 2007 over 2006."⁴²

From June 2008 to August 2008 there was a series of incidents of ceasefire violations on the LoC. Both sides accused each other for the violations. India connected cross-LoC ceasefire violations to Pakistan's attempt to "boost infiltration." Indian intelligence claimed that the "Pakistan army has constituted border area teams (BAT) consisting of specially trained soldiers to further facilitate the cross-border infiltration of trained militants."⁴³ Lt. Gen. R. K. Karwal, General Officer in Commanding of the 16 Corps accused the Pakistani army of resorting to unprovoked firing. He told the media that, "you can see that the Pakistani army is a bit desperate, there are large number of training camps and a large number of trained terrorists waiting to cross over to this side of the border and when they find that their attempts to infiltrate are not successful, they resort to unprovoked firing."⁴⁴ India Defence Minister A. K. Antony talking tough said while India was fully prepared to deal with any instance of infiltration by the Pakistani army, though adequate restraint was being maintained to prevent escalation of tension. He said "keeping in view the increased attempts of infiltration, the counter infiltration grid had been suitably strengthened by the Army to check such incidents."⁴⁵ The firing incidents came at a time when tension between the two countries was mounting over blast in the

⁴² Vinay Kumar, "Terror infrastructure in Pakistan intact: Ministry", *The Hindu*, Delhi, 26 March 2008.

⁴³ Tejinder Singh Sodhi, "Pak army forms border teams to boost infiltration", *The Tribune*, Chandigarh, 30 July 2008.

⁴⁴ *Ibid.*

⁴⁵ "Respect Ceasefire, Antony tells Pakistan", *The Tribune*, Chandigarh, 30 July 2008.

Indian embassy in Kabul in July 2008 and serial blasts in Bangalore and Ahmadabad and recovery of bombs in Surat.

Terror Incidents in India and Peace Process

The terror incidents taking place in India also adversely affected the dialogue process. The Mumbai bomb train blasts in July 2006 highlighted the divergence of perceptions and the fragility of the peace process. Despite Pakistan's condemnation of Mumbai blasts as a "despicable act of terrorism"⁴⁶ and assurance to India "in tracking down terrorists, or even a particular organization", if it gives proof to Pakistan,⁴⁷ India unilaterally suspended the composite dialogue. India blamed Lashkar-e-Tayyaba and asked Pakistan to take "urgent steps", "to dismantle the infrastructure of terrorism, act resolutely against terrorist groups and uphold its commitment to end extremism."⁴⁸ The dialogue was resumed only when the two sides agreed to set up a Joint Anti-Terrorism Mechanism (JATM) to deal with such incidents.

The Indian political leadership and security establishment continued to highlight the Pakistan link to the issue of "terrorism" in India. On 17 October 2007, Indian National Security Advisor M.K. Narayanan accused Pakistan of trying to stir up Sikh militancy in northern Punjab state. His remarks came in the wake of a bomb blast in a packed cinema in Ludhiana that killed six people and injured 32 others. Narayanan said there "has been a manifest attempt in Pakistan to build up a radical Sikh environment."⁴⁹ He said: "We had intelligence reports about four to six months back that a lot of effort was going into attempts to foment militancy.... We have tracked intelligence information, we have studied the way such attacks take place and we can read a pattern." India also blamed the

⁴⁶ "A Despicable act: President and PM", available at: <http://www.dawn.com/2006/07/12/top5.htm>.

⁴⁷ "Musharraf Tells India: Give Us Proof, We Will help", *Hindu*, New Delhi, 21 July 2006, available at: <http://www.hindu.com/2006/07/21/stories/2006072112760100.htm>.

⁴⁸ Amit Baruah, "Pakistan Must Act Against Terror Groups", *Hindu*, New Delhi, 13 July 2006.

⁴⁹ "India accuses Pakistan of inciting Sikh radicals", *The News*, Islamabad, 18 October 2007.

ISI for the blasts in Hyderabad, Ajmer and Ludhiana.⁵⁰ Narayanan said that "there is no connection between the blasts in Ludhiana, Ajmer and Makkah Masjid (Hyderabad) other than the fact that the ISI's involvement is suspected. That is the common link." Pakistan rejected the allegations as baseless. India also suspected Pakistan connection in the Uttar Pradesh court complex blasts on 26 November, in which many lawyers were killed.⁵¹ On 26 March 2008, M. K. Narayanan said that "we see no change in the attitude of ISI to mentor terrorist activities of the LeT and JeM. Attacks on India from the soil of Pakistan will continue."⁵² The statement was a grim reminder to Pakistan that it is "not fulfilling" its commitment "not to permit any terrorism from its soil" against India that it undertook in the 6 January 2004 joint statement.

The Jaipur blasts on 13 May 2008, in which seven bombs went off killing 80 and injuring 150 people, added fuel to the fire. Although Pakistan swiftly condemned the incident and expressed sympathy with the victims of the blasts, India's junior home minister, Shriprakash Jaiswal, said the blasts smacked of a "deep-rooted and very well-planned conspiracy" to disturb communal harmony in the country and suggested that the links of the terror strike were in a "neighbouring" country.⁵³ The Union Home Ministry in its Annual Report for 2007-08 also alleged that the hand of Pakistan-based outfits - LeT and JeM - has been observed in most of the terror attacks in India as groups from across the border continue to sponsor terrorist and subversive activities in the country.⁵⁴

⁵⁰ Jawed Naqvi, "India blames ISI for blasts on the eve of CBM talks", *Dawn*, Islamabad, 18 October, 2007.

⁵¹ Praveen Swami, "U.P. blasts trail leads to Pakistan", *The Hindu*, Delhi, 27 November 2007.

⁵² "ISI still training militants, attacks will continue: NSA", *The Indian Express*, New Delhi, 27 March 2008.

⁵³ "Pranab to visit Pak next week: Terrorism, infiltration on talks agenda: India", *The Kashmir Times*, Jammu, 15 May 2008.

⁵⁴ "Terror Attacks in India: Pak hand evident, says MHA report", *The Tribune*, Chandigarh, 23 April 2008.

Kabul Blast July 2008

The peace process came under severe stress after a series of terror incidents in India that coupled with rising incidents of cross-LoC firing and blast in Indian embassy in Kabul on 7 July. The blast killed 54 people including two senior Indian officials. Pakistan officially condemned the attack. However, India reacted strongly and on 14 July M. K. Narayanan stated that "we do not suspect but have fair amount of intelligence" on the involvement of ISI of Pakistan. He asserted that "ISI need to be destroyed. We have made this point whenever we have had a chance through interlocutors across the world. There might have been some tactical restraint for some time; obviously that restraint is no longer present."⁵⁵ Later, at the foreign secretary level talks, Shiv Shankar Menon also hinted at ISI for the Kabul blast saying that "our investigations so far point towards a few elements in Pakistan to be behind the blast", but refused to identify these elements saying investigations were continuing. Prime Minister Manmohan Singh in his address to the nation on 15 August 2008 said that the peace process with Pakistan was in danger of failing because of attacks like the bombing of New Delhi's mission in Afghanistan. He underscored that "if this issue of terrorism is not addressed, all good intentions that we have for our two peoples to live in peace and harmony will be negated. We will not be able to pursue the peace initiatives we want to take..." "The terrorists and those who support them are enemies of the people of India and Pakistan, of friendship between the two countries and of peace in the region and the world. We must defeat them."⁵⁶ The Kabul blast also clouded the first meeting between Prime Minister Manmohan Singh and Prime Minister Yousuf Raza Gilani on the sidelines of the SAARC summit in Colombo on 2 August 2008. Singh, in his meeting with Gilani, reiterated the Indian stance that violations of LoC ceasefire and the allegations of Pakistan's involvement in the Indian embassy blast had put the entire peace process under question.

⁵⁵ "ISI involved in Indian Embassy bombing: NSA", *The Times of India*, New Delhi, 14 July 2008.

⁵⁶ "Peace process with Pakistan under threat, warns Singh", *The News*, 16 August 2008.

Joint Anti-Terrorism Mechanism (JATM)

A Joint Anti-Terrorism Mechanism (JATM) was set up in September 2006 in the wake of Mumbai train blasts with the mandate to consider counter-terrorism measures, including sharing of information. It was a major step in addressing India's concern on the issue of terrorism. However, the mechanism is yet to bridge the divergence of perception held by the parties. There were two meetings of JATM, in March and October 2007, in which India and Pakistan discussed issues and incidents relating to terrorism in their respective countries. In its first meeting in March 2007, sharp differences arose over the inclusion of Kashmir within the purview of JATM. Pakistan contended that Kashmir should be excluded from the purview of the JATM, while India insisted that it should cover all terror incidents irrespective of their occurrence - in India or Kashmir. In the second meeting, held on 22 October 2007, the parties discussed the modalities for exchanging information on terrorist acts in each other's countries. Pakistan and India shared new information on terrorist incidents including those occurred since the last meeting. Both sides agreed to continue to identify measures, exchange specific information and assist in investigations.⁵⁷ It is significant to note that Pakistan and India have met nearly six times informally, under the JATM, from 6 March 2007 and 22 October 2007. However, according to the Pakistan Foreign Office these meetings took place at the diplomatic level and during bilateral meetings on the sidelines of several other meetings.⁵⁸

JATM has emerged as a shock absorber which pre-empts any derailment of India-Pakistan dialogue process. The third meeting of the JATM was held on 24 June 2008 amidst atmosphere spoiled by fresh incidents of terrorism in India as well as the Kabul blast. According to media reports, both sides exchanged fresh information about terrorism incidents, including blasts in Jaipur, Ajmer, Hyderabad, Varanasi, Mumbai and Delhi and the bombing of the *Samjhota* Express. They reviewed the steps taken on the information

⁵⁷ Mariana Baabar, "Pakistan, India share info on terrorist acts", *The News*, Islamabad, 23 October 2007.

⁵⁸ Mariana Baabar, "Pakistan, India held six secret anti-terror meetings", *The News*, 24 October 2007.

shared during the earlier meetings.⁵⁹ According to Pakistan foreign office the two sides agreed "to continue to work to identify counter-terrorism measures, assist in investigations through exchange of specific information and for preventing violence and terrorist acts."⁶⁰ They also agreed to improve the quality of exchange of information and the level of their counter-terrorism.

On 24 October 2008, a special meeting of JATM was held in which information was exchanged on issues of mutual concern, including the bombing of the Indian embassy in Kabul.⁶¹ India reportedly raised with Pakistan the issue of ISI's alleged involvement in acts of violence against its personnel and assets, manifest recently in the bombing of its Kabul embassy.⁶² According to the Indian media, India "shared with Pakistan 'concrete and irrefutable' evidence that suggested the involvement of the ISI"⁶³ in the Kabul blast. Pakistan rejected Indian allegations that any of its agencies was involved in the embassy bombing. The two sides have yet to get over issues of the Mumbai blasts and the *Samjhota* Express tragedy.

The formation of the JATM, however, has not kept the two sides away from indulging in usual blame game. India continues to accuse Pakistan of cross-border infiltration, and bomb blasts in India such as those in Hyderabad, Ajmer and Ludhiana and stirring up. Moreover, M. K. Narayanan has also accused Pakistan of trying to stir up Sikh militancy in the Punjab state.⁶⁴ Pakistan has also alleged that there are 'indications' of Indian involvement in anti-state

⁵⁹ Baqir Sajjad Syed, "Accord on exchanging terror information", *Dawn*, Islamabad, 25 June 2008.

⁶⁰ Mariana Baabar, "Pakistan, India to prevent spread of violence, terror," *The News*, 25 June 2008.

⁶¹ "India, Pakistan discuss Kabul bombing", *Dawn*, 25 October 2008.

⁶² Sandeep Dikshit, "India raises ISI issue", *Hindu*, New Delhi, 25 October 2008.

⁶³ "ISI behind Kabul embassy bombing, India tells Pak", *The Tribune*, Chandigarh, 26 October 2008.

⁶⁴ "India accuses Pakistan of inciting Sikh radicals", *The News* Islamabad, 18 October 2007

activities inside Pakistan's tribal areas⁶⁵ and Balochistan.⁶⁶ Against this backdrop, the main utility of JATM is that it provides a platform where parties can take up and discuss their respective viewpoints on the issue of terrorism. This in return ensures that any incident of terrorism would not deadlock or derail the peace process as was happened in the wake of the Mumbai train blasts in July 2006.

The Way Forward

Islamabad and New Delhi should build on convergences on Kashmir and terrorism and adopt a more realistic and pragmatic approach which might help in narrowing down expectation gap in both countries. The last four years of dialogue process amply demonstrates that Kashmir and terrorism have not only shaped the course of the peace process between the two countries but played a key role in slowing down the peace process. While New Delhi has been very reluctant to show flexibility or make any concessions on Kashmir, Islamabad remained unconvincing to India on its efforts to control groups that are accused of involvement in acts of terrorism in India. Moreover, there is still wide gap on what constitutes terrorism when it comes to Kashmir. While India blames Pakistan for "cross-border terrorism", Pakistan accuses India of "state terrorism" in Kashmir.

On Kashmir India needs to show sincerity by moving away from conflict management approach to conflict resolution that would eventually bring win-win situation for both countries. The parties should take following steps to build on convergences in Kashmir.

- The two sides need to show mutual flexibility and boldness over the issues where compromise and accommodation of each other's concerns are required. So far Islamabad has shown greater flexibility and boldness especially over the issue of Kashmir. It is now New Delhi's turn to show substantive flexibility so that a dialogue on Kashmir moves forward.

⁶⁵ Mobarik A Virk, "Pakistan suspects Indian hand in FATA situation", *The News*, 10 October, 2007.

⁶⁶ "Musharraf warns India not to meddle in Pakistan", *Daily Times*, Lahore, 7 October 2007.

- The parties need to institute a sustained and structured dialogue on Kashmir on the lines of Irish model at three main levels: intra-Kashmiri dialogue involving militants as well, Pakistani-Kashmiri dialogue & Indian-Kashmiri dialogue.
- There has been reasonable convergence of views on the soft borders in Kashmir which can be carried forward by promoting cross-LoC communication and trade links.
- Both sides need to take additional measures to consolidate ceasefire of the LoC:
 - Pull back heavy artillery and mortars beyond firing range.
 - Withdrawal of deployed forces from the existing positions with a firm undertaking that there will be no forward movement.
 - Designate certain areas as no deployment zones and agree on limiting forces in these areas that are prone to conflict.
- To make the peace process more meaningful, the parties need to engage Kashmiris including militants into the bilateral peace process. It is a point that needs to be worked out between the leadership of the two countries.
- The parties need to institute Kashmir-specific CBMs which may provide immediate relief to the Kashmiris inside Indian occupied Kashmir, so that they should also start feeling the positive impact of peace process on their lives.
- Intra-Kashmiri dialogue need to be strengthened with a view to allowing Kashmiri representatives of all different constituents and faiths of Jammu and Kashmir to weigh different options that serve their aspirations without impinging on New Delhi's or Islamabad's sensitivities.

On the issue of terrorism parties need to develop confidence in each other's sincerity and capability to meet the challenge of combating terrorism. Pakistan in principle condemns terrorism in all its form and manifestation. It has offered India cooperation, but due to trust deficit there is a little movement on the issue and more often India has used terrorism as a tool of diplomacy with an objective to put more pressure on Pakistan to fall in line. There is a great need for

the parties to take steps to build on the areas convergence regarding the issue of terrorism. The parties should:

- Ensure smooth functioning of the JATM so as to address each other's concern over acts of terrorism in their respective countries.
- To address Indian concerns regarding "cross-LoC infiltration", parties can employ electronic and arial surveillance in certain selected sectors as a part of cooperative approach in LoC management.
- To bridge divergence in perception, the parties should stop propagating against each other of harbouring and supporting terrorism.
- Better sharing of information and coordination of intelligence about the activities of various terrorist groups.
- Cooperation in investigation in the incidents of terrorism where parties accuse each other for links of support in any manner.

Conclusion

The foregoing analysis establishes that the lack of progress on the issues of Kashmir and terrorism has emerged as the main challenge to the current peace process between India and Pakistan. The divergence of perceptions regarding desired outcome of the peace process in these two areas has not only slowed down the peace process but may also deadlock the dialogue process unless more imaginative ways and means are found to build the trust and bridge the perception gap and take concrete steps to move forward. While Kashmir and terrorism will continue to dominate the peace process, it is advisable that there should be substantive progress on lesser contentious issues such as Siachen and Sir Creek which are considered doable even by India. This will act as catalysts to the peace process. Given the changed strategic, economic, domestic and international realities, it is in the interest of the parties to adopt more cooperative approach in the area of peace and security and economic development.