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India, Pakistan and Kashmir: Stabilising a Cold Peace

I. OVERVIEW

When the third round of the normalisation talks concludes in July 2006, India and Pakistan will be no closer than when they began the process in February 2004 to resolving differences, including over Kashmir. What they call their "composite dialogue" has helped reduce tensions and prevent a return to the climate of 2001-2002, when they were on the verge of all-out war, but progress has been limited to peripheral issues. India's prime minister, Dr Manmohan Singh, and Pakistan's president, General Pervez Musharraf, have reiterated commitments to sustain the dialogue. It is unrealistic, however, to expect radical change. International, particularly U.S. support for the process will likely dissuade either side from pulling out but asymmetry of interests and goals militates against a major breakthrough. The need is to concentrate on maintaining a cold peace until a long process can produce an atmosphere in which the support of elected governments in both states might realistically bring a Kashmir solution.

The situation in the former princely state is far from stable. In 2004, violence in Jammu and Kashmir (J&K) diminished somewhat but it is again on the rise, amid concerns that it could reach earlier levels with Pakistani support, particularly since the two countries' priorities remain at odds. Pakistan's military government has urged India to reach a solution on Kashmir; Indian decision-makers instead stress the prior need to create an environment conducive for a stable peace, which would help, in the longer term, to resolve the issue. Should the Pakistani generals, impatient with the pace and directions of the talks, attempt to pressure India through accelerated support for cross-border militancy, the fragile normalisation process could easily collapse.

Within Jammu and Kashmir, the relative decline in violence has helped stabilise the economy, and tourism is again flourishing in the valley. With the assistance of international agencies such as the Asian Development Bank, the Indian government is undertaking development projects in the cities. While the human rights situation has improved in urban centres, including J&K's district capitals, it has yet to change in the countryside, fuelling Kashmiri resentment, particularly in the valley. Human rights violations are inevitable so long as there is a heavy presence of security forces. Although India attributes this presence to militant violence, it should reassess and reduce it to prevent the militants from exploiting Kashmiri alienation.

India and Pakistan should also involve in their talks Kashmiris on both sides of the Line of Control (LOC) and from all shades of opinion. New Delhi has initiated a process of consultation with moderate factions of the separatist All Parties Hurriyat Conference (APHC); Islamabad should consult all shades of Kashmiri opinion, including pro-independence, in Azad Jammu and Kashmir (AJK). Kashmiri participation would make the process more meaningful, particularly in the context of confidence building measures (CBMs). Had Kashmiris been consulted in devising the modalities of CBMs such as the Srinagar-Muzzafarabad bus line, India and Pakistan would have won Kashmiri goodwill, and implementation hitches could have been ironed out.

It is in the interest of both states to remove hurdles to the normalisation process. Pakistan must end material support for militancy in Kashmir if regional peace is to be assured. Both sides would save the lives of their soldiers and neutralise Pakistani spoilers by agreeing to resolve the dispute over the Siachen Glacier. Above all, they need to end the cycle of mutual recriminations and prove to Kashmiris that they value their welfare over narrow interests. Such an approach would help stabilise a fragile cold peace.

International, in particular U.S., support is essential to sustain and consolidate the normalisation process. The international community should:

- press Pakistan to end all material support to the militants in Kashmir, while conditioning its military and non-development assistance on a complete end to cross-LOC infiltration; and
- provide technical assistance for monitoring technologies and verification procedures to facilitate an agreement on the Siachen Glacier, where both countries have an interest in disengaging troops but progress is blocked by the lack of trust.

For their part, New Delhi and Islamabad need to:

- sustain the normalisation process by stabilising the ceasefire on the LOC through a gradual reduction

of troops and by implementing CBMs such as regular meetings between local commanders; and

- remove administrative impediments to implementing Kashmir-specific CBMs such as cross-LOC communication and trade links; identify additional measures in consultation with Kashmiri stakeholders on both sides of the LOC and ensure Kashmiri participation in their dialogue process.

II. BACKGROUND

This briefing, which updates previous Crisis Group reporting,[1] assesses India and Pakistan's normalisation process, with emphasis on the Kashmir issue. It identifies challenges and suggests ways in which the two countries could take the process forward, thus stabilising their relationship and reducing the risk of war.

Since February 2004, when the composite dialogue began,[2] India and Pakistan have taken a number of positive steps. The November 2003 ceasefire along the LOC, which ended armed hostilities after thirteen years, still holds. On 7 April 2005, a bus line between Srinagar, the capital of Jammu and Kashmir (J&K), and Muzzafarabad, the capital of Azad Jammu and Kashmir (AJK) was re-established, allowing divided families to meet for the first time since 1956. After the 8 October 2005 earthquake in AJK, India and Pakistan agreed to open the LOC at five points to facilitate the provision of humanitarian assistance as well as meetings between divided families. In May 2006, agreement was reached to open the LOC to trade by launching a truck service on the Srinagar-Muzaffarabad route, as well as a second cross-Kashmir bus service, linking Poonch in J&K with Rawalakot in AJK.[3]

Additional rail and road links have been reopened across the international border between the two countries. These include a bus service linking Sikhism's holiest city, Amritsar in India, with Nankana Sahib, the birthplace in Pakistan of Sikhism's founder; and a railway link between Pakistan's Sindh province and India's Rajesthan state. Bilateral trade has resumed through Wagah, at the international border. Agreement has been reached in principle to restart shipping routes. The Joint Economic Commission and Joint Business Councils have been reactivated, and cooperation in the petroleum and natural gas sectors is being explored.

The declared intentions to sustain the process are also promising.[4] But the trust and goodwill essential for resolving more contentious issues is absent. Differences over the use of river waters flowing from Jammu and Kashmir still bedevil bilateral relations, and the composite dialogue has yet to make progress on resolving such disputes as those over the Siachen Glacier and Sir Creek. Nor have the two sides narrowed their differences over Kashmir.

India and Pakistan stand to gain, politically and economically, from a stable peace but it is yet to be seen if their policymakers understand that armed conflict, conventional or by proxy, would not advance their national interests. To be sure, neither side has opted out of the normalisation process. Pakistan's military leadership is well aware of international, particularly U.S., support for a process that reduces the risk of war between the nuclear-armed neighbours. India wants a viable and acceptable solution not only to escape the domestic spill-over effects of instability in Kashmir but also because it would help it to obtain the regional and global status commensurate to its size and potential. Yet neither side is willing, as yet, to move far from past positions.

President Musharraf insists that his government is willing to "think outside the box"[5] but his proposed solutions echo Pakistan's long-standing insistence on a change in Kashmir's territorial and constitutional status quo and its refusal to accept the LOC as the international border. Belying his rhetoric of involving the Kashmiris as an equal party in negotiations with India on the subject, the president-cum-army chief has insisted on driving the process on his own, excluding all civilian institutions and actors in Pakistan and Pakistan-administered Kashmir, including the national and AJK parliaments and political parties.

Unsurprisingly, Musharraf's proposals have not found a receptive audience in India, where policymakers are averse

[1] See Crisis Group Asia Report N°41, *Kashmir: The View from Srinagar*, 21 November 2002; Asia Report N°68, *Kashmir: The View from Islamabad*, 4 December 2003; Asia Report N°69, *Kashmir: The View from New Delhi;* and Asia Report N°79, *India-Pakistan Relations and Kashmir: Steps Towards Peace*, 24 June 2004.

[2] The composite dialogue covers the following peace and security subjects: CBMs and Kashmir; Siachen; Wullar Barrage/Tulbul Navigation Project; Sir Creek; terrorism and drug trafficking; economic and commercial cooperation; and promotion of friendly exchanges in various fields.

[3] "Second cross-LOC bus link from June 19", OutlookIndia.com, 15 May 2006, at http://www.outlookindia.com/pti_asp?id+38103.

[4] India-Pakistan Joint Statement, 18 April 2005, at http://www.mea.gov.in/speech/2005/04/18js01.htm.

[5] "President Musharraf's media interaction after U.S. President Bush Visit", Islamabad, 5 March 2006, at http://www.presidentofpakistan.gov.pk/FilesPressRoom/PressConferences/39200632758AMMedia6thMarch.pdf.

to any change in J&K's territorial and constitutional status.[6] New Delhi would be far more likely to accept a settlement that would transform the LOC into an international border. It wants terrorism eradicated from Kashmir but can live with a situation similar to the one that prevailed before 1989 when the insurgency in J&K began. Prime Minister Manmohan Singh's approach focuses primarily on tackling the domestic sources of Kashmiri alienation through economic development and improvement of the human rights situation, along with greater autonomy for J&K and increased interaction between Kashmiris on both sides of the LOC.

The Indian government has reopened a dialogue with Kashmiri mainstream leaders and moderate factions of the separatist alliance, the All Parties Hurriyat Conference (APHC). It has also allowed separatist leaders to travel to Pakistan. Yet after more than fifteen years of continued violence, in which almost every family in the valley has suffered losses, India will have to do far more if it is to win over a population that has yet to experience many tangible benefits.

Aside from Kashmir, India and Pakistan also differ over the pace of the normalisation process. India cautions against haste. Emphasising that the process is more important than specific achievements at this stage of the negotiations, Manmohan Singh has stressed: "I really believe that if this process is allowed to go forward, it will create a climate conducive to the final settlement".[7]

Wanting faster results and more emphasis on the "core" issue, Kashmir, in the composite dialogue, the Musharraf government has expressed its dissatisfaction with the pace and direction of the process, warning that unless Kashmir is settled, the confidence building measures will lose their meaning and peace in the region remain elusive. Insisting that Kashmir is "ripe for resolution", and the two countries "must address the lingering dispute now", Musharraf has warned: "Kashmir has been at the heart of conflict in South Asia, which became a nuclear flashpoint a few years back. It was an extremely dangerous solution, closest to the nuclear holocaust since World War".[8]

Undoubtedly, the resolution of some issues such as the dispute over the Siachen Glacier would pay mutual dividends, by ending a military engagement in which both sides have needlessly lost lives and squandered economic resources that would have been better used to win over their Kashmiri populations. It would also strengthen constituencies for peace in both countries. Should Pakistan's military hardliners attempt to pressure India again through militancy and violence in Kashmir, however, New Delhi would be likelier to opt out of the process rather than make concessions.

III. ASSESSING RELATIONS

Since Prime Minister Atal Bihari Vajpayee and President Musharraf resumed direct talks on 5 January 2004, a spate of high-level diplomatic exchanges, such as Prime Minister Manmohan Singh and President Musharraf's April 2005 meeting, have opened new avenues for bilateral relations. The composite dialogue has also helped to improve people-to-people contacts and expand communication links. However, despite declarations of intent, the two sides are still far from a breakthrough on the contentious issues.[9]

A. INCHING FORWARD

1. Promoting trust

The normalisation process has helped to reduce the risk of war. A number of measures have been taken to stabilise the ceasefire including a commitment to refrain from developing new posts and defence work along the LOC; monthly meetings between local commanders; and the speedy return of inadvertent line crossers. The dial-up hotline between the directors general (military operations) has been upgraded, secured and dedicated. Other security-related CBMs include agreements on the pre-notification of ballistic missile flight tests and operationalisation of the hotline between foreign secretaries.[10] The two sides have

[6] Responding to Musharraf's suggestions on changing Kashmir's status quo, Prime Minister Singh categorically ruled out any "redrawing of borders" and further division of the state of Jammu and Kashmir. Ehsan Fazili, "Redrawing of J&K border not acceptable", *The Tribune*, 18 November 2004.

[7] According to Prime Minister Singh, "territorial disputes are never easy to resolve overnight. They take time. But there is a lot we can do together, focussing on the interests of the people, creating an environment where the people of Jammu and Kashmir on both sides of the Line of Control can lead a life of dignity and self-respect. And we can create an environment of freer trade, freer movement". Siddharth Varadarajan, "Soft borders to create climate for Kashmir settlement: Manmohan", *The Hindu*, 23 May 2006.

[8] "Pakistan opposes U.S. attack against Iran", *The Nation*, 14 February 2006.

[9] Reviewing the achievements within the framework of the composite dialogue on the sidelines of the plenary meeting of the 60th UN General Assembly, for instance, Prime Minister Singh and President Musharraf went no further than reiterating their commitment to ensure a peaceful settlement of all pending issues. "India-Pakistan Joint Statement", New York, 14 September 2005, at http/:meaindia.nic.in/speech/2005/09/14js01.htm.

[10] The hotline between the foreign secretaries had fallen into disuse in the 1990s.

also agreed to abide by the 1991 agreement on air space violations.

Goodwill gestures such as the decision to release all fishermen, as well as civilian prisoners whose national status was confirmed and who had completed their sentences, will help improve the bilateral environment. The decision to allow cross-border trade along the Srinagar-Muzaffarabad route should benefit Kashmiris on both sides of the LOC. Yet these and other CBMs will only be effective if implemented in earnest. For instance, export of fruit from the Kashmir valley to Muzaffarabad and Pakistan has been a longstanding Kashmiri demand. But if administrative constraints block the delivery of perishable goods, they would fuel resentment, just as constraints on cross-LOC travel, including clearances from Indian and Pakistani intelligence agencies, have undermined the effectiveness of that CBM.

2. Economic ties

India and Pakistan have agreed to enhance economic and commercial cooperation and have reactivated the Joint Economic Commission and Joint Economic Council. They are also exploring the potential for cooperation in energy. Bilateral trade, $161 million five years ago, has passed $1 billion, with an increase of $400 million in 2005 alone. A study by the Federation of Indian Chambers of Commerce and Industry (FCCI) estimates it could reach $5 billion if tariff barriers were removed, rail and road links upgraded, business visa regulations liberalised, and illegal trade, valued at more than $2 billion, regulated.[11]

While the volume of illegal trade is evidence of the demand in both states,[12] political barriers remain the major obstacle to normal trade relations. Rejecting India's proposals to normalise trade and commercial ties, Pakistan's military government still links these and other areas of economic cooperation to the Kashmir dispute. While agreeing that economic cooperation can "build linkages and dependencies and build relations", Prime Minister Shaukat Aziz has stressed that the main hurdle to trade liberalisation is "lack of progress on the Kashmir dispute".[13]

B. RESOLVING DISPUTES

India and Pakistan lack the political will to tackle even issues where they have far less at stake than Kashmir.

1. Siachen Glacier

The conflict over the 76-kilometer long Siachen Glacier is not a declared war but dates back to 1984 and is the longest-running between their armies. Both have lost hundreds of lives in that remote and uninhabited region, not to military action but to the harsh climate, dangerous altitude and treacherous terrain.[14] The climate and terrain also make the monetary costs exorbitant.

Given the high human and financial tolls, and because the territory is of little strategic value, India and Pakistan have held a series of negotiations to resolve the dispute, but in the absence of political will these have achieved little, though they came close in 1989 and 1992. At the fifth round of defence secretary-level talks in June 1989, an understanding was reached "to work toward a comprehensive settlement, based on redeployment of forces to reduce the chances of conflict, avoidance of the use of force and the determination of future positions on the ground so as to conform with the Simla Agreement and to ensure durable peace in the Siachen area".[15] However, this was not operationalised. At the sixth round in November 1992, agreement was almost reached which envisaged mutual withdrawal and redeployment to create "a zone of complete disengagement". This area would be delineated "without prejudice" to the known positions of either side.[16] No new positions would be occupied in the designated zone nor would any activity, civilian or military be allowed there. But the proposed settlement fell victim again to mutual mistrust.

With relations on the mend, the two sides have observed a ceasefire in the Siachen region since 25 November 2005, although there are periodic accusations of violations.[17] The composite dialogue has made little progress in resolving the conflict, however, and the tenth round of defence secretary-level talks on 24 May 2004 ended in a stalemate.

[11] "FICCI business delegation to Pakistan: A report", Federation of Indian Chambers of Commerce and Industries, New Delhi, May 2005. See also "Business beyond borders: A study on India-Pakistan economic relations", Federation of Indian Chambers of Commerce and Industry, New Delhi, May 2005.
[12] In 2005, illegal trade increased by 37 per cent. "India-Pakistan unofficial trade rises by 37 per cent", *Dawn*, 9 May 2006.
[13] "PM links trade with Kashmir", *The Nation*, 2 May 2006.

[14] Temperatures often drop to 40 degrees centigrade below zero, and the altitude of some forward bases ranges from 16,000 to 22,000 feet in a region prone to avalanches.
[15] Samina Ahmed and Varun Sahni, "Freezing the Fighting: Military Disengagement on the Siachen Glacier", CMC Occasional Paper, Cooperative Monitoring Center, Sandia National Laboratories, Albuquerque, New Mexico, March 1998.
[16] Ibid.
[17] "No decision on pullout from Siachen, says India", *Daily Times*, 12 May 2006.

Pakistan insists that India accept the 1989 understanding for an unconditional, mutual withdrawal to pre-1984 positions.[18] India wants troops positions authenticated and delineated before such a withdrawal and has ruled out a prior pullout, concerned that Pakistan could move into the vacated territory.[19] Pakistan believes India would use the delineation of ground positions before withdrawal to legitimise its claim over the disputed territory.

Despite the mutual desire to end this costly and futile conflict, lack of trust continues to inhibit progress. To overcome this, the two sides could, with international assistance, identify and institute a regime of monitoring technologies and verification procedures, which would enable them to disengage and demilitarise the region with confidence.[20]

2. Sir Creek

India and Pakistan have failed to agree on delimiting their land and maritime boundaries in the Sir Creek region. Sir Creek runs for 100 kilometres along the Rann of Kutch, a marshy area between India's Gujrat state and Pakistan's Sindh province. Pakistan insists that all of it falls within its territory while India claims that the boundary should be drawn in the middle of the creek. The maritime boundary would determine nautical rights over a 300-kilometre stretch of the Arabian Sea, which is potentially rich in oil and gas.

Since both countries are parties to the 1982 Law of the Sea Convention, they have obligations under Articles 76 (in respect of the Continental Shelf), 74 (in respect of the Exclusive Economic Zone) and 15 (in respect of the territorial sea) to reach a negotiated settlement.[21] Although Part XV of the convention provides a formal mechanism for the settlement of disputes, it has yet to be invoked. Bilateral negotiations have been unsuccessful for years. Though a part of the composite dialogue, the issue is no closer to resolution with the two sides merely agreeing, at the end of talks in May 2006, to conduct a joint survey of Sir Creek and the adjoining region.[22]

3. Waters disputes

Wullar is a lake in the Barramulla district of Indian-administered Kashmir. In 1984, India announced its intention to build the Wullar barrage (also called the Tulbul Navigation Project) on the lake to make the Jhelum River navigable all year. Pakistan argued that any attempt to block the waters of the Jhelum would violate the World Bank-guaranteed 1960 Indus Waters Treaty. India suspended construction in 1987 but has claimed that the barrage would be legal under the treaty and conform to its technical specifications, and it has expressed an intention to resume work at some point.

Pakistan believes India wants to link the project to the 390-MW Kishanganga hydroelectric project and divert the water of Neelum River into Wullar Lake.[23] Apart from concerns about the potential depletion of its lower-riparian water resources, its opposition is fuelled by suspicions that India could misuse its upper riparian status as strategic leverage in the Kashmir dispute.

The Wuller Barrage issue was almost resolved in 1991, when a draft agreement was prepared which would have allowed construction of the barrage conditional on some technical restrictions and monitoring by the Indus Water Commission, established under the 1960 treaty.[24] The agreement, however, was not signed, and the composite dialogue has yet to make any progress on this and other water-related, Kashmir-specific issues such as the Kishanganga Hydroelectric project and the Baglihar dam,[25] also to be constructed in Indian-administered Kashmir.

Although the Indus Waters Treaty contains legal dispute resolution mechanisms, all these issues are highly politicised because they are linked to Kashmir, and hence their resolution depends on the overall health of bilateral relations.

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[18] Najmuddin Sheikh, "Peace process: déjà vu", *Dawn*, 2 June 2005. Sheikh is a former foreign secretary.

[19] Admitting that the May 2006 talks had ended in stalemate, the Indian defence minister, Pranab Mukherjee, said: "On principal it has been agreed that both sides will withdraw from their existing positions. But we want that before the process of withdrawal and deployment (of troops) at the designated places starts, the existing places before vacation should be delineated, authenticated in a signed document and agreed upon by both sides". "Siachen talks die early", *The Telegraph*, 25 May 2005.

[20] Verification options and technologies are discussed in "Freezing the Fighting", op. cit.

[21] Ahmer Bilal Soofi, "Legal Purview: Wullar Barrage, Siachen and Sir Creek", *South Asian Journal*, vol. 7, January-March 2005.

[22] The joint statement, issued on 26 May, said both sides agreed, "to conduct a joint survey of the Sir Creek and adjoining areas and waters between November 2006 and March 2007". In October 2005 a similar agreement was reached. Jawed Naqvi, "Agreement on joint survey of Sir Creek", *Dawn*, 27 May 2007; "India, Pak begin Sir Creek parley on positive note", *The Financial Express*, 26 May 2006.

[23] Shaiq Hussain, "India may resume work on Wullur Barrage", *The Nation*, 27 June 2005.

[24] Soofi, op. cit.

[25] Opposing India's plan to construct the Baglihar Hydropower Project on the Chenab River in J&K on the grounds that it violated the Indus Waters Treaty by reducing the downstream flow into the Indus, Pakistan asked the World Bank to intervene. On the Bank's recommendation, India and Pakistan accepted the mediation of a neutral arbitrator.

IV. SUSTAINING THE NORMALISATION PROCESS

That the normalisation process has not stumbled augurs well for regional stability but the composite dialogue is still in its earliest stages and outside pressures will influence its prospects.

A. THE INTERNATIONAL DIMENSION

Two interrelated issues, nuclear proliferation and terrorism, have played a key role in India and Pakistan's decision to initiate the normalisation process and will likely shape its direction. Pakistan has conducted a proxy war in J&K since the early 1990s, using Kashmiri and Pakistani militants, many from jihadi organisations, to undermine India's control in the territory and tie down its forces there. The dangers of that strategy came to the fore during the Kargil conflict of 1999, and again in 2001-2002. On both occasions, the two states were on the verge of a conventional war that could have escalated to the nuclear level. Kashmir, in the perceptions of influential external actors, including the U.S., could no longer be considered a regional issue, with few or no wider consequences.

In 1999, Army Chief General Pervez Musharraf (he was not yet president) led a limited military operation, infiltrating several hundred Pakistani soldiers and jihadis into the Kargil region across the LOC, in the belief that Pakistan's nuclear weapons capability would prevent India from escalating to a full-fledged conventional war.[26] Indian decision-makers, however, believed that it was possible to fight a limited conventional war against their nuclear-armed adversary.[27] Concerned that the conflict could escalate to the nuclear level, the U.S. pressured Pakistan to withdraw its regular forces and their jihadi supporters.[28]

The nuclear and terrorism factors also came into play in the 2001-2002 crisis. Following the December 2001 terrorist attacks on the Indian parliament, New Delhi mobilised along the LOC as well as the international border with Pakistan. Once again, the nuclear risk was high, and the international community, spearheaded by the U.S., intervened to persuade India to refrain from using force and to pressure Pakistan to end its support for terrorists operating across the LOC.[29]

More generally, since the watershed 11 September 2001 terror attacks in New York and Washington, the U.S. has increased its pressure on Pakistan's military government to end its proxy war in Kashmir and to resolve its differences with India peacefully. However, Pakistan's participation in the U.S.-led "war on terror" has somewhat eased that pressure, allowing its military rulers to make a tactical, as opposed to a strategic shift in their Kashmir policy. Lacking domestic legitimacy, President Musharraf cannot afford to opt out of the composite dialogue, since he is well aware that the withdrawal of international, particularly U.S., support would undermine his standing with his military constituency and embolden the civilian opposition. His changed rhetoric towards India is also meant to persuade his international allies that he and the military alone can guarantee regional peace.

Short of a major crisis in its relations with Pakistan, triggered, for instance, by a major terrorist attack, India, too, is unlikely to withdraw from the normalisation process. It is motivated by the desire to be seen internationally as a responsible regional power exercising restraint in its dealings with Pakistan despite considerable provocation.

Yet, the desire on Pakistan's part to ease external pressure and retain international support and on India's to project a positive image is insufficient to produce bilateral concessions. Absent the necessary political will, the two countries are unlikely to depart drastically from their long-standing positions on Kashmir. And domestic factors will play a major role in the decisions of both whether to maintain the status quo or move the process forward.

B. THE DOMESTIC DIMENSION

1. Pakistan

More than two years into the composite dialogue, Pakistan's official position on Kashmir remains unchanged: the former princely state is disputed territory; India is in unlawful occupation of Jammu and Kashmir; Kashmiris should have the right, in accordance with UN resolutions, to accede to either India or Pakistan through a free and

[26] In 2002 former Prime Minister Nawaz Sharif disclosed: "This ill-planned and ill-conceived operation was kept so secret that besides the prime minister (Sharif himself), some corps commanders and the chiefs of navy and air force were also kept in the dark". The Musharraf government has rejected opposition demands for an enquiry into the Kargil incident. Rafaqat Ali, "Army kept government in dark: Nawaz", *Dawn*, 13 June 2002. See also Crisis Group Asia Report N°40, *Pakistan: Transition to Democracy?*, 3 October 2002.

[27] P.R. Chari, "Nuclear Restraints, Nuclear Risk Reduction and the Security-Insecurity Paradox in South Asia", in Michael Krepon and Chris Gagné (eds.), *The Stability-Instability Paradox: Nuclear Weapons and Brinkmanship in South Asia*, Report no. 38, The Henry L. Stimson Center, Washington DC, June 2001.

[28] See Crisis Group Asia Report N°35, *Kashmir: Confrontation and Miscalculation*, 11 July 2002.

[29] Ibid.

impartial plebiscite.[30] Pakistan believes that, given the opportunity, a majority would vote for accession to it. A corollary in Pakistan's view is that deprived of the right to self-determination and repressed by India, Kashmiris are entitled to revolt against New Delhi's rule.[31] Although Pakistan officially (and unconvincingly) denies providing more than moral and diplomatic support to the militants, many hardliners believe that without the insurgency, the issue would have become obsolete.[32]

To persuade the international community that Pakistan has abandoned its proxy war and supports a peacefully negotiated settlement, President Musharraf has put forward a number of proposals identifying potential options. Dropping Pakistan's insistence on the old UN resolutions calling for a referendum on accession of the former princely state to either Pakistan or India, he has called on New Delhi to join him in thinking "beyond the box" on Kashmir.[33] In a press interview in October 2004, for instance, he proposed a three-phase formula for the three parties – Pakistan, India and Kashmiris. In a first phase, seven regions would be identified, along ethnic and geographic lines, in the former princely state. These would be demilitarised in the second phase and their legal and constitutional status would be determined by mutual consensus in the third and final phase. This could take many shapes, said Musharraf, including options such as a condominium, UN control or any other agreed formula.[34]

Examined more closely, these proposals are neither flexible nor a radical policy departure. There is no renouncement of territorial claims over Kashmir, and Pakistan continues to reject J&K's status under the Indian constitution. More significantly, the military government has not ended support for Pakistan-based jihadi organisations such as Lashkar-e-Tayyaba and Jaish-e-Mohammad, responsible for much of the violence in J&K.

Musharraf's concessions on Kashmir are understandably restricted to rhetoric. Unlike former prime ministers Benazir Bhutto and Nawaz Sharif, who had the backing of their domestic constituencies for reconciliation with India, Musharraf's only constituency is a military establishment that is deeply hostile to India and retains the belief that a proxy war in Kashmir is the only way to pressure it into making concessions on vital areas of national interest.

2. India

India's official position also remains unchanged. Even if New Delhi now concedes that there is a Kashmir "issue" and has accepted its inclusion in the composite dialogue, it does not accept that it amounts to a territorial "dispute".[35] In Indian perceptions, the former princely state of Jammu and Kashmir is an integral part of the Indian Union, the areas under Pakistan's control are illegally occupied, and Pakistan remains responsible for an insurgency which would die down if that support were withdrawn.

There is consensus among Indian political and policy and opinion making circles that J&K's territorial and constitutional status is non-negotiable. India would at the most be willing to give Kashmir maximum autonomy within constitutional bounds. "I recognise that there are many views and perceptions", said Prime Minister Singh at a roundtable on Kashmir in Srinagar. "There is need to evolve a common understanding on autonomy and self-rule for Jammu and Kashmir, and I am confident that working together with all groups, both inside and outside the mainstream, we can arrive at arrangements *within the vast flexibilities provided by the Constitution*".[36] New Delhi would also be willing to revise the 1994 Parliament Resolution claiming Indian sovereignty over Pakistan-administered Kashmir.[37] However, given the

[30] Crisis Group interviews, Islamabad, August 2005, January-February 2006. See also Crisis Group Report, *The View from Islamabad*, op. cit.

[31] "The (Srinagar-Muzaffarabad) bus is symbolic but cannot make much difference to the bulk of the population", said one Pakistani observer, "Thousands of prisoners remain in Indian jails; India has not withdrawn its troops. Excesses against the population have not diminished". Crisis Group interview, Islamabad, August 2005.

[32] "Pakistan has to pursue its objectives. Militancy on a large scale will be difficult but not impossible. A good number of Indian troops in Kashmir is a good thing for the Pakistani army", said Khalid Rehman, director of the Jamaat-i-Islami-linked Institute of Policy Studies. Crisis Group interview, Islamabad, August 2005.

[33] Meeting Indian External Minister Natwar Singh in July 2005, Musharraf called on the two countries to give up their "maximalist" positions, adding that "Pakistan's maximalist position (had) been one enshrined in the UNSC resolution 91 calling for the holding of a plebiscite in Jammu and Kashmir". Qudssia Akhlaque, "Musharraf for giving up 'maximalist' positions", *Dawn*, 26 July 2004.

[34] See http://www.presidentofpakistan.gov.pk/FilesSpeeches/Policy/211200532924PMKashmir%20Formula.pdf. "Musharraf suggests joint management for Kashmir", *The News*, 11 March 2006; Javed Rana, "Let UN oversee seven-part Kashmir", *The Nation*, 26 October 2004.

[35] "Kashmir is only a 'core' issue", said former Indian Prime Minister I.K. Gujral, "in that India will not part with it". Crisis Group interview, New Delhi, March 2006. See also Crisis Group Report, *The View from New Delhi*, op. cit.

[36] Emphasis added. Prashant Sood, "Let us build a new J&K: PM says need to evolve common understanding on autonomy", *The Tribune*, 26 February 2006.

[37] Declaring that Jammu and Kashmir "has been and shall be an integral part of India", the resolution demanded that Pakistan

domestic sensitivity, the government would first have to prepare public opinion and then obtain bipartisan parliamentary support. This would be unlikely if militant violence continued unabated.

There is, however, also a growing domestic consensus for peace with Pakistan, since regional instability is seen to hamper India's efforts to gain international recognition as a major power. This is reflected in the continuity in Indian policy, with Congress Prime Minister Manmohan Singh largely following the line initiated by his Bharatiya Janata Party predecessor, Atal Behari Vajpayee. However, hardliners within the bureaucracy oppose any unilateral concessions in the composite dialogue. Their influence on the process depends on the state of militancy in Kashmir, since an upsurge of violence would be used to justify a tougher line towards Pakistan.

While continuity mostly characterises India's Kashmir policy, there are also some signs of change. Prime Minister Singh has, for instance, refused to redraw Kashmir's borders but has also offered to soften them in the interests of peace. Proposing a "Treaty of Peace, Security and Friendship" to Pakistan, Singh said: "Borders cannot be redrawn but we can make them irrelevant".[38] India's willingness to soften the LOC, however, would also depend on the intensity of cross-LOC attacks and violence in J&K.

V. GROUND REALITIES IN KASHMIR

A. MILITANCY IN INDIAN-ADMINISTERED KASHMIR

1. Jihadi violence

India does not believe Pakistani support for militants in Kashmir has ceased. In his August 2005 Independence Day address, Prime Minister Singh stated: "I am aware that the government of Pakistan has put some checks on the activities of terrorists from its soil. However, it is not possible to achieve success through half-hearted efforts. It is necessary that the entire infrastructure of terrorism is totally dismantled". He also warned: "If violence continues, then [India's] response too will be hard".[39] With the violence in J&K escalating in May 2006, Defence Minister Pranab Mukherjee called on Pakistan "to ensure that their land is not used for cross-border terrorist activities", adding that "we have confirmed information that 59 training camps are running the other side of the LOC".[40]

According to Indian security officials, a number of jihadi organisations are responsible for the violence in Kashmir valley, with the most prominent being either Pakistan-based, such as Lashkar-e-Tayyaba and Jaish-e-Mohammad, or pro-Pakistan such as Hizbul Mujahiddin, an offshoot of Jamaat-i-Islami in Kashmir.[41] Indian officials in New Delhi and Srinagar told Crisis Group that infiltrations had also resumed, with the number of attempts in 2005 exceeding the combined total for 2003-2004.[42] Militant strategies, they said, had also changed "from a battle of bullets to a battle of explosives",[43] including car bombs, with a resultant increase in civilian casualties.

As the normalisation process proceeds and CBMs such as the Srinagar-Muzaffarabad bus line are operationalised, hopes for normalcy have risen in the valley, with the support for militancy, already in sharp decline, eroding further as a result of growing civilian casualties. Because Kashmiri militants now risk losing their base, the rift between indigenous groups and Pakistan-based jihadi organisations has widened.

The Indian government has shown restraint, with officials refraining from holding Pakistan responsible, at least publicly, for acts of violence such as the killing of 36 Hindus in Jammu on 1 May 2006. But the rise of militant violence has strained the bilateral relationship and could potentially undermine the normalisation process, particularly if there is a terrorist attack on a high profile target.[44]

Denying Indian accusations that Pakistan-backed and based militants are responsible for the conflict in J&K, and

"vacate all the areas of the Indian State of Jammu and Kashmir, which they have occupied through aggression". Text of Parliament Resolution, 22 February 1994, at www.ipcs.org/INDO-PAK-15-Docu.pdf.

[38] H.K. Dua, "An offer well meant", *The Tribune*, 26 March 2006.

[39] "Independence day address by Prime Minister Manmohan Singh", 15 August 2005, at http://www.mea.gov.in/speech/2005/08/15ss01.htm.

[40] Rakesh Rocky, "Pranab visits J&K, rules out demilitarisation", *The Indian Express*, 10 May 2006.

[41] Under international pressure, the Musharraf government had banned a number of jihadi organisations but most have reemerged under changed names. Banned by Musharraf in January 2002, following the attack on the Indian parliament, Lashkar, for instance, reemerged as Jamaat-ud-Daawa and Jaish as Khuddamul Islam. See Crisis Group Asia Report N°73, *Unfulfilled Promises: Pakistan's Failure to Tackle Extremism*, 16 January 2004.

[42] Crisis Group interviews, New Delhi, Srinagar, September 2005.

[43] Crisis Group interviews, Srinagar, September 2005.

[44] Such an attack, an Indian analyst said, would take India and Pakistan "back to square one". Crisis Group interview, Major General (retired) Dipankar Banerjee, director, Institute of Peace and Conflict Studies, New Delhi, March 2006.

making a distinction between terrorism and a legitimate struggle for self-determination, the Musharraf government insists that the violence is rooted in Kashmiri alienation and will only end with a just resolution of the conflict. Musharraf has also called on India to demilitarise Kashmir "because Indian security forces have been killing innocent civilians". His pledge that Pakistan would "ensure there is no militancy" if India, as a first step, demilitarised three key cities, Srinagar, Kupwara and Baramullah,[45] which are centres of violence in J&K, has only reinforced Indian perceptions that Pakistan can turn the jihad tap on and off at will.[46] But Musharraf's calls for a reduction of the security presence in J&K have resonated with Kashmiris. Even leaders of mainstream parties such as the ruling People's Democratic Party (PDP) have called on New Delhi to do what they say would be "a big confidence building measure" that would help ameliorate Kashmiri alienation.[47]

2. Domestic alienation

Observers in Srinagar and Jammu blame militancy on Pakistan but also warn that frustrated and alienated young Kashmiris, regardless of political affiliation, could join the militants unless New Delhi changes its approach. They attribute Kashmiri alienation to the overwhelming presence of Indian security forces, which, they say, create a sense of humiliation and loss of dignity and feed local perceptions that India is a colonial state.[48] A local journalist said: "Militancy has suppressed all accountability in the valley. The bureaucracy is looting the exchequer; the security forces and the militants are extorting money from the population", and the rule of the gun holds sway.[49]

Although Kashmiris would view a significant reduction of the Indian security forces with relief and as a confidence building measure, India is unlikely to act until the violence declines. Army Chief General J.J. Singh maintained that "as long as incidents of violence do not come down to negligible levels", and so long as "infiltration continues", the army would be needed in J&K.[50] Yet New Delhi and its security forces would be better served by responding to Kashmiri concerns.

India should realise that indiscriminate force and repression is counter-productive. Anti-insurgency operations in J&K are often conducted by poorly trained paramilitary forces, as well as the so-called "renegades", former militants who have, willingly or by compulsion, joined the security forces and are responsible for some of the worst atrocities in the valley. Militants, especially foreign ones, equally lack respect for the population, killing and injuring civilians in indiscriminate bombings and targeting moderate Kashmiri leaders.[51]

Although separatists such as Yasin Malik of the Jammu and Kashmir Liberation Front (JKLF) acknowledge that the human rights situation has improved in the cities and the district capitals, they insist that for most Kashmiris, particularly those in the rural areas, it remains largely unchanged.[52] Some units of "renegades" have been disbanded but others remain active; some have joined the army, the Border Security Forces, or the police, and some have even rejoined the militants. Some political prisoners have been released but others remain incarcerated. According to Human Rights Watch, "troops continue to be responsible for arbitrary detention, torture and custodial killings", and "accountability remains a serious problem".[53]

Indian security forces believe that Kashmiris are so tired of violence that they now cooperate with them. If so, the government would be all the better served by changing its security policies, replacing poorly trained units with highly specialised forces led by competent commanders who understand the need for exercising restraint. Prime Minister Singh has stressed that "aberrations like custodial

[45] "Musharraf asks India to stop repression", *The Nation*, 6 February 2006.

[46] Rejecting Musharraf's call to demilitarise Kashmir, an Indian Ministry of External Affairs spokesman said: "Any demilitarisation or any redeployment of security forces within the territory of India is a sovereign decision of the Government of India….As long as the security situation in Jammu and Kashmir…is adversely affected by the phenomenon of cross-border terrorism and violence penetrated by Pakistan-based terrorist groups, the Government of India will fulfil its responsibility to safeguard the lives and security of its citizens". The ministry added: "The Pakistan President seems to suggest that there is a quid pro quo here, that is, if the towns of Srinagar, Kupwara and Baramullah are demilitarised, he would ensure that there is no militancy there. What we are talking about is terrorism, and not mere militancy [and Musharraf] has repeatedly given solemn assurances that no part of territory under Pakistan's control would be used for any cross-border terrorism against India". Rajeev Sharma, "India breathes fire over Musharraf's proposal", *The Tribune*, 8 January 2006.

[47] "I would personally want a Kashmiri policeman rather than an outsider checking the identities of people on the roadside", said PDP leader Mahbooba Mufti. "Musharraf demilitarisation plan finds favour in Kashmir", *The News*, 9 January 2006; "PDP to stress for demilitarisation, rolling back unfettered power to armed forces", *Kashmir Times*, 11 May 2006.

[48] Crisis Group interviews, Srinagar and Jammu, September 2005.

[49] Crisis Group interview, Srinagar, September 2005.

[50] "Army presence in J&K to continue: Gen. J.J. Singh", *Kashmir Times*, 14 January 2006.

[51] "Overview of human rights issues in India", Human Rights Watch, 18 January 2006, at http://hrw.org/english/docs/2006/01/ 18/india1227_txt.htm.

[52] Crisis Group interview, Srinagar, September 2005.

[53] "Overview of human rights issues in India", op.cit.

killings cannot be allowed to become the norm".[54] By taking tangible measures to improve the human rights situation and reassessing and reducing the overbearing troop presence, his government stands a far better chance of sidelining the militants who are bent on destabilising J&K.

B. KASHMIRIS AND THE NORMALISATION PROCESS

1. CBMs

For most Kashmiris, the ceasefire on the LOC is the most significant CBM. With the guns silenced, people can now work in their fields, and displaced persons can return to their villages. By stabilising the ceasefire through a gradual reduction of troops, India and Pakistan would regain Kashmiri goodwill and also reduce the risk of inadvertent war. Kashmiris also view the reopening of the Srinagar-Muzzafarabad bus route positively but flawed implementation is causing resentment. The reunification of divided families was a long-standing Kashmiri demand.[55] Initially, India's expressed willingness to soften the LOC to facilitate people-to-people contacts was met with scepticism since it was in the process of completing the fencing of the LOC.[56] The opening of the bus line, therefore, surprised even the most optimistic of peace activists.

However, by April 2006, a year after the route reopened, only 365 Kashmiris from J&K and 345 from AJK had managed to use it.[57] Thousands of Kashmiri applicants on both sides of the LOC were unable to get travel permits due to complex procedures, including the requirement to produce detailed documentation to verify identities and receive security clearances from Indian and Pakistani intelligence agencies. Because the expectations that the CBM generated have not been met, Kashmiris are understandably frustrated.[58] If the restrictions are not eased, the fate of the second LOC bus service (Poonch-Rawalkot), which will have the same modalities, will be no different.

The frequency of the bus services should be expanded,[59] delays in issuing visas should be removed and security agencies should not have the final word in vetting travellers. India should realise that jihadis have alternatives to the bus to get to Kashmir,[60] and Pakistan must be more tolerant to Kashmiris who do not sympathise with its political aspirations.

2. Economic revival

On 17 November 2004, Prime Minister Singh announced a plan for J&K's economic reconstruction. Acknowledging that Kashmir needed more work, power, tourism and development, his revival plan envisaged the creation of 124,000 new jobs (24,000 in the government sector), electrification of the entire state by 2007, upgrading of the Uri-LOC road and Srinagar airport, six additional degree-granting colleges, and an institute of hotel management in Srinagar and other tourism-related measures, for a total cost of $5.3 billion.[61] In January 2005, the Asian Development Bank extended a $250 million loan for infrastructure development and rehabilitation at the request of the Indian government.

Because these measures are to be implemented over four years, the impact on Kashmiri opinion is as yet difficult to gauge. Three fourths of the projected $5.3 billion is earmarked for hydroelectric projects, which take time. However, reconstruction of infrastructure is already underway, and tourism has begun to revive. Since their economy is tourism-dependent, people in the valley and their hotel and handicraft industries have particularly benefited.

Separatist parties predictably oppose Singh's economic revival plan, which they suspect is aimed at increasing Srinagar's economic dependence on New Delhi, undermining the goal of autonomy, let alone independence. Nor has it escaped their attention that 10,000 of the jobs to be created are in the paramilitary forces and police. Separatists also believe Kashmir's economic progress, or lack of, is not the problem. Instead, they argue, New

[54] "Siachen talks die early," *The Telegraph*, 25 May 2006.
[55] According to Ishaq Zafar, president of the Pakistan People's Party in AJK, divided Kashmiri families include some 500,000 people. Crisis Group interview, Islamabad, September 2005.
[56] India first attempted to fence the LOC in 1994 but construction was halted because of constant Pakistani shelling. Work resumed in 2003 and was almost complete a year later, with construction facilitated by the LOC ceasefire.
[57] The Regional Passport Officer in Srinagar is the nodal travel authority for the Srinagar-Muzaffarabad bus, while Muzaffarabad's deputy commissioner serves that function on the Pakistani side. Aijaz Hussain, "Kashmir marks border opening anniversary", Associated Press, 10 April 2006.
[58] "The opening of the LOC is a good step forward but it does not serve the Kashmiri people", said an AJK political leader. "This is not a facility that can be easily availed by Kashmiris". Crisis Group interview, Sardar Khalid Ibrahim Khan, president, Jammu Kashmir People's Party, Islamabad, November 2005.
[59] Like the Srinagar-Muzaffarabad bus service, the Poonch-Rawalkot service will also operate fortnightly.
[60] "Would bad men really cross the heavily defended LOC (with a permit)?", asked an Indian analyst. Crisis Group interview, P.R. Chari, Director, Institute of Peace and Conflict Studies, New Delhi, March 2006.
[61] Harish Khare, "Let us build a new Kashmir", *The Hindu*, 18 November 2004; S.P. Sharma, "Recruitment ban in J&K to go: PM", *The Tribune*, 19 November 2004.

Delhi should acknowledge existence of the dispute and resolve it in accordance with the wishes of the Kashmiri people.

3. Political participation

India's congress-led government has begun a dialogue with the moderate faction of the All Parties Hurriyat Conference (APHC) and allowed its leaders to visit Pakistan, signalling intentions to mend fences with the group. Insisting that it would accept any solution acceptable to the Kashmiris, Pakistan's military government is talking to J&K-based Kashmiri parties, including the moderate faction of the APHC there led by Mirwaiz Omar Farooq. Although it is too early to judge if Pakistan has indeed abandoned its long support to APHC hardliners such as Jamaat leader Syed Ali Shah Geelani,[62] the fact that it is talking to the moderate faction indicates that it is at the least broadening its options. Nevertheless, the Musharraf government is averse to consulting other than pro-Pakistan groups in the areas of Kashmir it controls.[63] And neither government has included Kashmiris in the composite dialogue.

Kashmiris on both sides of the LOC insist they must be a party to any India-Pakistan negotiation on the fate of the former princely state.[64] But who would actually represent Kashmiri opinion on both sides of the LOC? Unless separatist parties are allowed political space and can contest elections in AJK, there is no way of judging if popular sentiment there favours accession to India or Pakistan, the territorial status quo, or independence.[65] In J&K, separatist parties officially exist and have been allowed to contest elections, although these were often rigged until recently. But because the APHC has opted to boycott state and Lok Sabha elections, it is difficult to ascertain its support-base. The APHC is also internally divided, with the Mirwaiz-led moderates more inclined to negotiate with New Delhi while the hardline Geelani-led faction rejects any such talks.

To complicate matters further, mainstream parties on both sides of the LOC have also to deal with spoilers who oppose any negotiated process. Organisations like Hizbul Mujahiddin, Harkat-ul-Mujahaddin, Lashkar-e-Tayyaba and Jaish-e-Mohammad believe that all moderates are traitors and hence legitimate targets. For these Islamist extremists, jihad is the only, and justifiable, way to liberate Kashmir from Hindu India.[66] Although these groups (some Pakistan-based) have a limited constituency in Indian or Pakistan-administered Kashmir and certainly do not represent even a significant segment of Kashmir public opinion, they have the capacity to derail the normalisation process. To ensure that these spoilers do not lead Pakistan and India back toward war, the international community should pressure Pakistan to end all support for jihadi groups based on its territory and disband their networks. Military and non-developmental aid to Pakistan should be conditioned on a complete end to Pakistan's support for cross-LOC infiltration.

Despite their many differences, there is a meeting of minds between moderate Kashmiri parties and separatists on some Kashmir-specific issues, including an end to human rights violations and the overbearing presence of security agencies on both sides of the LOC, and, more specifically in J&K's context, the reduction of the Indian troop presence and release of political prisoners. While moderate or hardline factions might also differ on the ultimate solution of the crisis, Kashmiri parties and public opinion on both side of the LOC agree that Kashmiris must have a voice in determining their future. New Delhi and Islamabad need to address Kashmiri concerns and involve Kashmiri representatives, on both sides of the LOC and from all shades of opinion, in the process, initially through parallel discussions and when feasible within their dialogue process.

VI. EARTHQUAKE AND AFTER

While natural disasters sometimes create the political atmosphere for peacemaking, the 8 October 2005 earthquake in Pakistan-administered Kashmir has not dissipated India and Pakistan's mutual mistrust. This was to be expected since banned jihadi groups responsible for

[62] Geelani has always supported accession to Pakistan.

[63] Echoing a senior AJK official's statement that the AJK government was not independent and worked under Islamabad's directives, Amanullah Khan, chairman of the pro-independence Jammu Kashmir Liberation Front, said: "The AJK government is subordinate to Islamabad and cannot take any initiatives". Crisis Group interview, Islamabad, November 2005.

[64] In AJK, Muhammad Farooq Leghari, convenor of the APHC and chairman of the J&K People's Freedom Party, complained: "Kashmiri are not included in the talks although 80,000 to 100,000 Kashmiri have been killed over the last fifteen years". Crisis Group interview, Islamabad, August 2005. Mirwaiz Umar Farooq said: "The Kashmir issue relates to the Kashmiris whether they are living here or in Azad Kashmir.…If the Indian and Pakistani governments are really serious in solving the Kashmir issue, they need to hold talks with us". Jehangir Rashid, "Mirwaiz hints at boycotting RTC", *Kashmir Times*, 22 May 2006.

[65] Candidates or parties cannot contest elections in AJK unless they formally attest support for Kashmir's accession to Pakistan.

[66] Stressing that the mujahiddin had kept the Kashmir issue alive, Lashkar leader Hafiz Mohammad Saeed said they would continue their jihad there "against Indian occupying forces", since it was a matter of their and Pakistan's survival. "Kashmir jihad would continue, says Saeed", *Daily Times*, 3 November 2004.

cross-border violence in J&K such as Lashkar-e-Tayyaba and Jaishe Mohammad were allowed by the Musharraf government to openly conduct relief work in the earthquake-hit areas. The earthquake gave India and Pakistan an opportunity to win Kashmiri hearts and minds, which was largely lost.[67]

In J&K, Kashmiris accused the Indian army of behaving like "an occupation force".[68] The army admitted that it spent the first three days saving its own personnel and it did not let international aid agencies work independently.[69] In AJK, Kashmiris saw the Pakistani military tend to its own casualties and rush in reinforcements to shore up defences along the LOC instead of saving survivors. The military government's failure to consult local communities and the absence of a civilian disaster management infrastructure also hampered relief operations.[70]

India and Pakistan would have benefited from collaborating on humanitarian relief, thereby gaining the confidence of Kashmiris. Instead, Musharraf declined an Indian offer of helicopters, which would have doubled his country's fleet. And India was initially reluctant to ease restrictions on cross-LOC movement, which would have benefited remote villages on the Pakistani side. Even after the agreement to open five LOC crossing points to facilitate the delivery of relief goods and reunite divided families, administrative constraints due to mutual mistrust have minimised their utility.

India's concerns that a soft LOC could be exploited by jihadis have been reinforced by the Pakistani military's patronage of such groups conducting relief activities under changed names or through front organisations in the earthquake-hit zones of AKJ and the Northwest Frontier Province.[71] With President Musharraf and his ministers lauding their activities, they now have an opportunity to expand their influence in both areas, which have been the epicenter of the Kashmir jihad.[72]

Aware of U.S. opposition to the jihadi presence there, Musharraf declared that if his government sees "any other sign of their involvement in anything other than welfare, we are not only going to ban them but we are going to get them out of that place".[73] However, there has been no response to U.S. requests to monitor and if necessary stop jihadi groups from conducting relief work. The government's failure to follow the U.S. example of placing Jamaat-ud-Dawa – the renamed Lashkar-e-Tayyaba – on its terror list indicates that the military is unwilling to part ways with its jihadi allies.[74]

Jihadi attacks in J&K have escalated in the wake of the earthquake. As noted, India has thus far exercised restraint but while the composite dialogue has continued, the violence and a new wave of infiltrations have damaged the atmosphere and fuelled Indian suspicions that the Pakistani military has not abandoned the jihadi card. The still fragile composite dialogue could be disrupted by a high profile terrorist attack and even destroyed if the provocation is acute.

VII. CONCLUSION

India and Pakistan's leaders insist that the normalisation process is irreversible but while the two countries have stabilised their relationship, reducing the risk of war, many challenges lie ahead. One of the greatest to sustaining the process is an asymmetry of perceptions and expectations. Indian policymakers want to move slowly, hoping that an improved bilateral environment will help create the conditions for negotiating the most contentious issues, including Kashmir. Pakistan's military government has made the expansion of ties on other equally vital areas of bilateral cooperation, such as trade, conditional on demonstrated progress on Kashmir. President Musharraf

[67] See Crisis Group Asia Briefing N°46, *Pakistan: Political Impact of the Earthquake*, 15 March 2006.
[68] Ravi Prasad, "Militancy and natural disaster in Kashmir", ISN Security Watch, 4 November 2005.
[69] Crisis Group interview, Srinagar, 20 November 2005.
[70] "The Pakistan government's response was lacklustre" and it "has not been able to satisfy the people of AJK", said Sardar Khalid Ibrahim Khan, president of the Jammu Kashmir People's Party. Crisis Group interview, Islamabad, November 2005.
[71] For detailed information on major jihadi groups involved in relief operations, see Crisis Group Report, *Political Impact of the Earthquake*, op. cit., pp. 9-10.
[72] The "jihadis will be entrenched in Kashmir", said Sherry Rehman, an opposition member of Pakistan's national parliament, "They were encouraged and cultivated" by the military government "and are making the most political capital out of this tragedy". Crisis Group interview, Islamabad, November 2005.
[73] President Musharraf's interview, *Financial Times*, 26 October 2006.
[74] On 28 April 2006, the U.S. State Department announced the addition of "the aliases Jamaat-ud-Dawa (JUD) and Idara Khidmat-e-Khalq (IKK) to the Specially Designated Global Terrorist Designation of Lashkar-e-Tayyaba (LET)", which it called "one of the largest and best trained groups fighting in Kashmir against India. After the secretary of state's designation of LET as a terrorist organisation in 2001 and the Pakistani government's banning the group, LET renamed itself JUD in order to evade sanctions. JUD established IKK as a public welfare organisation that it utilises to collect funds and undertake other activities. LET has been sanctioned by the United Nations 1267 Committee for its association with al-Qaeda". Text of the State Department's media note at http://www.state.gov/r/pa/prs/ps/2006/65401.htm.

has repeatedly warned that the composite dialogue's fate rests on movement towards resolving the Kashmir dispute.

Pakistan's military's leadership should abandon its unrealistic expectations. It will take many more years of talks and the participation and support of elected governments in both states before the dialogue process can yield a Kashmir solution. Indeed, the two nuclear-armed states should focus efforts on stabilising their cold peace.

CBMs on improved communication links and people-to-people contacts could help create the necessary environment but their impact largely depends on political will to implement them in both spirit and form.[75] Kashmir-related CBMs such as the border crossings and trade would win India and Pakistan the goodwill of Kashmiris in the areas under their control but if these CBMs are subverted, the gain will be short lived.

To prevent Pakistan's hardliners from undermining the process and to deprive its military of an excuse to opt out of the talks, India would be best served and would itself benefit by reaching an agreement about the Siachen Glacier. The international community could aid in overcoming mistrust by providing technical assistance for verification and compliance.

That the ceasefire has held and the process survived thus far, even in the face of grave provocations, should not lull the international community, in particular the U.S., into believing that a war is no longer possible. Constant engagement and encouragement are needed to ensure that the two sides remain committed to the process. The U.S. and other influential international actors must also maintain pressure on Pakistan to end its support for the militants and to curb all cross-LOC infiltration.

A reduction of infiltration and violence in J&K would benefit all parties – India, Pakistan and the Kashmiris. Jihadi organisations are as much a threat to the Pakistani citizen and state as to India, and it would best serve Pakistan to eliminate their infrastructure. If violence and terrorist attacks recede in J&K, India will be in a position to reduce its troop presence in Kashmir, and Kashmiris can rebuild their lives in peace, no longer targeted by the militants or forced to live in a virtual state of siege.

Since the large-scale presence of security forces and human rights violations fuel Kashmiri resentment and play into the hands of spoilers, India should reassess and recalibrate its extensive military deployment and reform its security agencies. Pakistan, too, needs to rein in its security agencies in Pakistan-administered Kashmir, reducing a presence that is resented by the local population.

But improvement of the security environment alone will not reduce alienation unless Kashmiris have a political voice in a process that will determine their future. Representatives of Kashmiris on both sides of the LOC, regardless of their political affiliation, should be consulted in identifying, adopting and implementing Kashmir-related CBMs. India and Pakistan should, as a first step, hold parallel discussions with Kashmiri representatives, regardless of their political affiliation, and when feasible, include them into their dialogue process. Islamabad must not exclude those parties that reject Kashmir's accession to Pakistan. And New Delhi must talk to all Kashmiri stakeholders, in government and opposition, including hardline as well as moderate APHC factions so long as they give up the gun.

With international support, and by sustaining the dialogue process, India and Pakistan will, over time, build the necessary goodwill to tackle the most complex and contentious issues that divide them, including Kashmir. Until then, both should concentrate on stabilising their cold peace, countering the threats that could derail the normalisation process.

Islamabad/Brussels, 15 June 2006

[75] Crisis Group Report, *Steps towards Peace*, op. cit., p. 4.

APPENDIX A

MAP OF KASHMIR

Courtesy of The General Libraries, The University of Texas at Austin

APPENDIX B

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with nearly 120 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made available simultaneously on the website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

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Crisis Group's international headquarters are in Brussels, with advocacy offices in Washington DC (where it is based as a legal entity), New York, London and Moscow. The organisation currently operates fifteen field offices (in Amman, Belgrade, Bishkek, Bogotá, Cairo, Dakar, Dushanbe, Islamabad, Jakarta, Kabul, Nairobi, Pretoria, Pristina, Seoul and Tbilisi), with analysts working in over 50 crisis-affected countries and territories across four continents. In Africa, this includes Angola, Burundi, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Liberia, Rwanda, the Sahel region, Sierra Leone, Somalia, Sudan, Uganda and Zimbabwe; in Asia, Afghanistan, Indonesia, Kashmir, Kazakhstan, Kyrgyzstan, Myanmar/Burma, Nepal, North Korea, Pakistan, Tajikistan, Turkmenistan and Uzbekistan; in Europe, Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Kosovo, Macedonia, Moldova, Montenegro and Serbia; in the Middle East, the whole region from North Africa to Iran; and in Latin America, Colombia, the Andean region and Haiti.

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