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## Indo-Pak Composite Dialogue—2008

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**A Review**

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# INDO-PAK COMPOSITE DIALOGUE - 2008

## A REVIEW

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### An Overview

An appraisal at this point in time of the India-Pakistan composite dialogue process is timely. It requires an elucidation of the dialogue mechanism. What have been its achievements? How did the dialogue come into being and how does it reflect the India-Pakistan relationship after 1947.

Since independence and partition in 1947, the relationship between these two countries has proven to be the most obdurate, but also the most dangerous political and military confrontation in South Asia. Following the collapse of the Soviet Union and the end of the Cold War, it has been the most precarious and unpredictable region in the international system.

After having engaged each other in conflict in 1947, 1965, 1971 and 1999 there was recognition in both governments that their relations had reached the nadir, and unless remedial measures were taken, they would reach the point of no return. It was, thus, after the 2003 cease-fire, that relations between the two countries improved. The 12th SAARC summit of 2003 saw a change in the history of this conflict. Specific suggestions were made by the PM of Pakistan in the context of India-Pakistan relations to resume civil aviation links, road and rail links, sports events etc. Pakistan also assured that it would take specific measures against cross-border terrorism and dismantle its infrastructure that supported terrorism. The two leaders believed that constructive dialogue would promote their common objectives of peace, security, and economic development. However, India has made it clear on several occasions that a sustained dialogue would necessarily require an end to cross-

border terrorism and dismantling of its infrastructure in Pakistan. It was decided that discussion on nuclear and other CBMs could also be held within the composite dialogue.

Both leaders agreed to commence the composite dialogue in February 2004. They were confident that a resumption of the composite dialogue would lead to the peaceful settlement of all bilateral issues, including Jammu and Kashmir, to the satisfaction of both sides. Thus, the issues constituting the composite dialogue were as follows:

- Peace and Security including CBMs
- Jammu and Kashmir
- Siachen
- Wullar Barrage Project/Tulbul Navigation Project
- Sir Creek
- Terrorism and Drug Trafficking
- Economic and Commercial Cooperation and,
- Promotion of Friendly Exchanges in various fields

The two sides concluded their fourth round of talks in October 2007. However, for a considerable time since then, the domestic situation in Pakistan precluded any further activity. This report seeks to provide an overview of the composite dialogue thus far [till 2007], and reflect on its future.

## I COMPOSITE DIALOGUE: A SURVEY

### Peace and Security, including CBMs

This aspect of the composite dialogue has made the most public impact, and is perhaps the best testimonial to the

conventional confidence-building measures that have been adopted. In October 2005, India and Pakistan reached an agreement that requires either party to inform the other 72 hours in advance before testing ballistic missiles within a 40-km radius of the international border as also the Line of Control. In the same meeting, India also handed over a Memorandum of Understanding, on how both parties could go about reducing the danger of accidental or unauthorized nuclear weapon usage, which was eventually signed on February 2007. A hotline between the two Foreign Secretaries was established in 2004. Also, the ceasefire on the LoC, which has been in place since 2003, continues to be maintained. There was an accidental transgression when Pakistani forces allegedly opened fire in the Tangdhar sector, but the ceasefire continues to hold. The point to be noted is that these CBMs continued to hold even when the two parties were at odds, as occurred after the Mumbai train blasts in 2006, when the Pakistani Rangers and the BSF continued holding their quarterly meetings. The naval authorities on both sides have also established a hotline mainly to avoid arresting fishermen from either side who stray accidentally into each other's waters, which has considerably reduced arrests on both sides. The coast guard authorities on both sides are now debating the possibility of holding joint search and rescue operations and collaborating in marine pollution control.

Before the composite dialogue began, there was only one bus service on the Delhi-Lahore route, connecting India and Pakistan, since 1999. Thereafter a trans-LoC bus service was begun on the Srinagar-Muzaffarabad route in 2005, followed by the Poonch-Rawalkot service in 2006. Although the former was suspended following the earthquake in 2005, these bus services have greatly helped to bring together many families who were separated in 1947. Train services have also been resumed with the Samjhauta Express linking Amritsar and Lahore, and the Thar express linking Khokhrapar in

Sindh with Munabao in Rajasthan. Air connections are also increasing, with the February [2008] meeting leading to a doubling of passenger flights. Border Ground Rules for the international border have also been finalized.

### **Jammu and Kashmir**

The continuance of the ceasefire along the LoC augurs well for relations between the two countries, and has led to the return of tourism to the Valley, which has also revived hopes of an economic resurgence in the region. The bus services across the LoC have indicated the willingness of both countries to work on this issue, a resolve which has also been expressed in the meetings. On the domestic front, the dialogue process has led the state of Jammu and Kashmir to become more integrated with the national mainstream. Although no noticeable progress has been made yet, the CBMs have paved the way for reconciliation. In 2006, President Musharraf had made a proposal which included demilitarization of the region, self-governance, and so on. But, India did not agree; it argued that before any such measures are undertaken, there must be a complete stoppage of terrorist activities in the region. Both sides want to resolve the issue, but the resistance comes from hardliners in Pakistan, who feel any cooperation would be a concession to India.

### **Siachen**

The demilitarization of Siachen is an integral part of the composite dialogue, especially after PM Singh publicly expressed the hope in 2005 that the highest battlefield in the world could be converted into a 'mountain of peace.' While publicly neither side has reached any agreement on this issue, it is believed that the issue has reached an impasse. India has urged that any agreement on this issue could only follow recognition of the Actual Ground Position Line. Pakistan is not in agreement here, for such a position would require it to give up territory,

specifically the Salto ridge. It would like the position on the ground to revert to the pre-1984 status. In 2007, India took a positive step to normalize the situation with the Indian Army hosting a civilian trek in Siachen to promote it as a tourist destination. Pakistan, of course, objected to this step, since it considers the area to be an active war zone. Due to these differences there has been no forward movement in talks on Siachen.

### **Sir Creek**

Both sides had resolved to settle this dispute in a speedy manner, given their obligations under the UN Convention on the Law of the Sea (UNCLOS). Any delay in the delineation of the maritime boundary, could lead to the continental shelf of both countries coming under the purview of the International Seabed Authority. Thus, in 2005, a joint survey was launched in the horizontal section of the marshy Sir Creek, for both parties to ascertain their particular claims. A follow-up survey took place in January 2007, which also saw the participation of hydrographers and navies of both states, covering the land and the coast areas. Both sides disagree on how to proceed towards delineation. While India contends that the boundary should be in the middle of the estuary, Pakistan pushes for it to be on the southeastern bank.

In the first formal meeting of the issue, in May 2007, both parties exchanged maps marked with their respective claims, and gave explanatory notes to that effect. It is now for the authorities on both sides to decide on how to proceed forward.

### **Tulbul Navigation Project/ Wullar Barrage**

The Tulbul Navigation Project is located on the Jhelum river in Jammu and Kashmir and has been the cause of disagreement since 1984, when India first proposed building a barrage at the mouth of the Wullar lake, near the town of Sopore in the Valley. The dispute arose when Pakistan alleged that this barrage would critically hinder the

flow to Pakistan. It was considered by them to be a violation of the Indus Waters Treaty of 1960. India rebuffed these allegations and stated that the primary reason for building the barrage was to make the river navigable in the summer months. Pakistan was unsuccessful in proving its case to the Indus Water Commission in 1986, hence, India went ahead with the construction on the project. Since then, more than ten rounds of talks have been held on the issue, of which the last three have been under the rubric of the composite dialogue. Yet, not much of substance has been resolved, and both parties have decided to take the issue further in the forthcoming rounds of the dialogue process.

The two parties had also come into conflict on the Baglihar project, with Pakistan claiming that even this construction on the Chenab river was a clear violation of the Indus Waters Treaty. And when the two sides were unable to resolve their dispute bilaterally [though the dialogue made provision for it], Pakistan chose to take the matter to the World Bank, which, in turn, appointed Raymond Lafitte, a civil engineer, as the adjudicator in the matter. In his verdict in 2007, while a compromise was reached on one of the points of contention (related to the elevation of intakes for the turbines) Lafitte held that any other changes were only a matter of calculation and that India's designs were compliant with the basic principles of the treaty

### **Terrorism**

One of the driving factors [for India] to agree to a composite dialogue was to address the issue of cross-border terrorism. But incidents of terrorist attacks by Pakistan-based elements have not stopped. Hence, when such incidents occur, its impact is felt on the dialogue process. For example, after the series of train blasts in Mumbai in July 2006, domestic pressure led India to suspend the foreign secretary-level talks. However, the process resumed after a summit meeting between PM Singh

and President Musharraf, which led to creation of a joint framework to address this issue. Subsequently, the creation of the Joint Anti-Terrorism Mechanism (JATM) marked a sea change in India's position on the issue, moving from India being the victim and Pakistan the perpetrator, to Pakistan becoming a partner. The JATM meets at the Additional Secretary level, and is intended to implement counterterrorism initiatives and investigations. The first meeting was held in March 2007, to coincide with the initiation of the fourth round of the composite dialogue. The establishment of the JATM will go a long way towards institutionalizing counter-terrorism threats, and its relevance to the composite dialogue process.

### **Drug Trafficking**

The illegal trafficking of narcotics has been a major cause for concern. The dialogue on this issue resumed in August 2004, when both parties discussed the procedures for sharing information and cooperation between the relevant authorities in the two countries, culminating in negotiation of a MoU to institutionalize cooperation in this area. This commitment was reiterated in the July 2007 meeting. However, despite these efforts, the situation has worsened, for India since the 2007 report of the International Narcotics Control Bureau reveals that the quantity of heroin entering India from Pakistan has, in fact, increased, with the law and order agencies in northwestern India seizing ever increasing consignments that are being smuggled from Pakistan and Afghanistan. However, of greater concern is the finding in the report that, from being the final destination, India is becoming a transit point for drug trafficking to Bangladesh and Southeast Asia. To meet this menace, a regional policy agency a la Interpol, was suggested in the 7th SAARC summit, which would go a long way towards addressing concerns in this area.

### **Economic and Commercial Cooperation**

On this front, the concept of a South Asia Free Trade Area (SAFTA) remains in stasis. Pakistan has indicated that it would operationalize SAFTA only in accordance with its current bilateral trade policy, which permits only a limited number of items being imported from India. Pakistan has yet to reciprocate India's granting it (Pakistan) the Most Favored Nation status, which implies that realizing the target of \$10 billion of bilateral trade is highly improbable, given that the figures for 2007 were only \$1.7 billion. Despite a new government coming to power, India has not yet been accorded MFN status. However, progress in related areas continues, with cargo trucks being allowed for trade through the international border, as of October 2007. This measure will benefit agricultural products, since only perishable items are allowed to be transported. Step have also been taken to establish reciprocal banking establishments on both India and Pakistan.

Another aspect of economic cooperation is the Iran-Pakistan-India gas pipeline. Ever since the project was suggested, there has been much talk on how it has the potential to bridge the trade deficit. However, given the domestic situation in Pakistan, the international community's equations with Iran, and India's indecisiveness, not much progress has been made on this proposal. Initially, India had asked Pakistan to settle the transit fee issue, since most of the pipeline would pass through Pakistan. But there was disagreement on India's suggestion of a fee of \$.15 per million British Thermal Unit (mBtu) and Pakistan demanding \$.493, although both sides agreed to work on it. Further meetings were held between the petroleum ministers of both countries on issues like establishing committees, transit fees, tariffs, and so on. India has also become a part of the Turkmenistan-Afghanistan-Pakistan – and now, India – gas pipeline project, which is funded by the Asian Development Bank, and is expected to deliver 45 million cubic meters of gas per day to India.

### **Promotion of Friendly Exchanges**

People-to-people interaction between the two states has grown rapidly. The starting of the bus services and rail links across the border have provided greater opportunities to citizens on both sides to travel. Although there were incidents like the bomb blast on the Samjhauta Express and there were fears that the ensuing tensions would threaten these interactions, the links were kept open. As a result, the visits of social leaders and members of the civil society have contributed tremendously to the relaxation of tensions on both sides of the border and are expected to go a long way in furthering the composite dialogue process.

## II COMPOSITE DIALOGUE IN 2008: A REVIEW

After a six-month break, representatives of the two countries re-initiated the dialogue, with a ministerial review of the fourth round of the composite dialogue in May 2008. Through the course of this year, a number of positive steps were taken by both countries, which led to reconciliation both at the political and social level for the citizens of both countries. Earlier in the year, a number of prisoners were released by them, which went a long way to strengthening their relations. At the grass-roots level, a decision was taken by the Pakistani government to legally allow a select number of Bollywood films made in either country were banned in the other after the 1965 war. Of course, smuggled copies of Indian films are freely available in Pakistan, but this official step would allow citizens from both countries to interact at an intimate level. A number of confidence-building measures were also taken, with steps being put in place to increase the number of cross-border flights via national carriers, and formally restarting trade across the LoC via road and rail links.

The fifth phase of the composite dialogue, however, began in July 2008, under the

shadow of the suicide attack on the Indian embassy in Kabul, which left a number of Afghans and Indians, including a civil servant and a military attaché, dead, and several others injured. This was unarguably the lowest point in Indo-Pak relations in the past four years, and the Indian foreign secretary admitted as much, despite full-throated denials by the Pakistanis, and the initial reticence by the Indian government to blame them. The American intelligence agencies were able to prove that the Inter-Services Intelligence (ISI) agency of Pakistan had a hand in the attack. It was difficult then for India to resume the composite dialogue, as the Kabul suicide attack was followed by terrorist attacks in Ahmedabad and New Delhi. Investigations in both places revealed Pakistani involvement. India had also taken issue with Pakistan for violating the cease-fire accord along the LOC dividing Kashmir. Indian and Pakistani forces had traded gunfire earlier in July along the heavily fortified frontier, for more than 12 hours, the worst violation since the 2003 cease-fire agreement.

On the fateful night of 26 November, Pranab Mukherjee and Shah Mehmood Qureshi had spoken about boosting trade relations, people-to-people contacts and combating terrorists together. The Indian government was also considering sending the Indian cricket team to tour Pakistan, a move which has always served as a popular track-two measure. However, the terror attacks on Mumbai, the financial capital of India, has seriously affected all dimensions of relations between the two countries for the foreseeable future. Two prominent hotels, a café popular with locals and foreigners, and the iconic Chattrapati Shivaji Terminus were ravaged by terror attacks lasting over 60 hours, which left at least 166 persons, including 20 security personnel and 20 foreigners, dead and over 300 injured.

In the past, the Indian government, always perceived to be quick to accuse Pakistan, has tried to steer away from doing so, but the evidence is so overwhelming that it

was constrained to state that elements from Pakistan were involved. A lot of political capital had been invested in steering relations between the two countries in a peaceful direction, but the political leadership had also to confront the reality that this has not worked; while it is not in the interests of either nation that tensions should build up to a point which would lead the Pakistani military to seize power again, the Indian government needs to prove, both domestically and internationally, that it would not take this incident lying down.

The composite dialogue process has therefore frozen, the first casualty being the trade talks, an area where the civilian government in Islamabad had shown great enthusiasm. India called off a prospective visit by a team from the Planning Commission, which was intended to facilitate an eventual visit by Deputy Chairman, Montek Singh Ahluwalia, who would have been returning an earlier visit by his Pakistani counterpart, Salman Faruqi. There were initial hopes for a peaceful resolution, with Prime Minister Gilani volunteering to send Lt Gen Ahmad Shuja Pasha, the ISI chief, for consultations with his Indian counterpart. However, this decision was swiftly vetoed by the Pakistani military, who saw it as an admission of guilt and submission to Indian pressure. This action highlights the problem that, while there may be goodwill between the political leadership in both countries, that feeling does not trickle down to the intelligence and security machinery, especially in Pakistan. Earlier, the Pakistani military had also taken exception to President Zardari voluntarily giving up the 'no first use' option in the nuclear arena.

There is a pattern in such attacks in the recent history of bilateral relations between the two countries. Whenever some progress is made on peace-building between the two countries, some elements in Pakistan sabotage it, leaving both countries pointing fingers at each other. These elements have links with the Islamic militants, Islamic political parties and the ISI, and if sabotaging rapprochement

between India and Pakistan was the purpose, then the miscreants have been successful in their objective. The Mumbai attacks have caused a hiatus in the thawing relations between the two nuclear rivals. Both countries had hoped to make positive progress in the coming months on major contentious issues.

In December, Pakistan and India talked of improving relations by searching for a path away from confrontation following the Mumbai terror attacks, hoping that relations will be normalized. But this is not possible until Pakistan stops allowing its territory to be used for acts of terrorism against India. While Pakistan has denied any official link to the Mumbai assault, it has arrested some alleged plotters, while demanding that India hand over evidence to help their prosecution. Pakistan has offered to help India's investigations, but India has been reticent to share the information it has gleaned so far, and find it difficult to investigate terrorist attacks with its longtime adversary. The Defence Committee of the Cabinet in Pakistan has renewed its offer of cooperation with India, including intelligence-sharing, assistance in investigations, and formation of a joint commission against terrorism.

### **III CONCLUSIONS**

The Indo-Pak composite dialogue is a desirable approach but is prone to derailment if attempts are made to find instant solutions to old and complex problems. There is no alternative to an incremental peace process through political, economic and military confidence building measures. Dramatic gestures or a few summit meetings between top leaders cannot bring peace, which is only possible incrementally. India and Pakistan have a long way to go before they can resolve their major problems.

The main achievements of the composite dialogue process have been in the area of CBMs designed to enhance India-Pakistan

contacts and connectivity. Many such CBMs were put in place even before the commencement of the dialogue process. However, it has helped to attenuate India-Pakistan tensions by restoring snapped links and in upgrading them, enhancing people-to-people contacts and providing an institutional mechanism for the two sides to discuss their differences. It has also improved the international rating of the two countries. However, India's involvement in the dialogue process has not been fully reciprocated. One must note that Pakistan, instead of availing of the dialogue process to resolve its differences with India on, for instance, Baglihar, had opted for the appointment of a neutral expert. Above all, it needs recognition that the dialogue process has not succeeded in resolving any of the major issues in dispute like Pakistan's involvement in terrorist activities directed against India, Jammu and Kashmir, Siachen, Tulbul, Sir Creek and grant of the Most Favored Nation status to India.

Progress on these essential issues has been thwarted by the unreasonable position taken by Pakistan. On Jammu and Kashmir, it is content with maintaining the status quo, and would seek a change, only if it is contrary to Indian policies; on Siachen, while it has, at times, been agreeable to the pull back of forces on both sides, it has consistently been averse to any authentication of present positions on maps; and on the grant of MFN status to India, it refuses to even contemplate it, though India has accorded Pakistan this privilege. Above all, on terrorism, Pakistan refuses to provide any satisfaction to India and has remained unrestrained in promoting such activities.

This approach by Pakistan is dictated in part by its determination not to allow any significant progress in any area, other than some CBMs and in people-to-people contacts, unless there is movement towards a resolution of the Kashmir issue, which changes the status quo to the detriment of India. Under these circumstances, the contention that the composite dialogue has led to an improvement in relations

between the two countries thus far would be tested by its failure in addressing the major issues of contention between Pakistan and India

Thus, India must be very clear about the direction it wants the composite dialogue to take. It would, therefore, be advisable for it to take the following steps:

- Freeze the composite dialogue until it can be established that the Pakistan government is addressing India's grievances
- Suspension of the CBMs, especially those which benefit Pakistan economically, beginning with the withdrawal of the MFN status
- Seek the renegotiation of the Indus Waters Treaty, and till this is done, utilize the maximum amount of water sanctioned to India
- Demand the complete dismantling of the infrastructure Pakistan has, officially or unofficially in place, which is fostering terrorist elements targeted against India

V P Malik, in contributing to a debate on the Indo-Pak composite dialogue in 2006, made the following statement, "India can afford to be patient. Our primary effort should remain focused on the economic agenda and to keep our house, including Jammu and Kashmir, in order. If we keep our house in order, political bullying or the terrorists' guns from across the border are meaningless. We have the resilience and hard and soft power to ignore them, or to respond, if that becomes necessary." While this sentiment was understandable at that point in time, it no longer holds true. In conclusion, therefore, the success of the composite dialogue process depends entirely on the importance both states give to it. Regardless of how contentious the issues may be, so long as the participants are determined to remain engaged and work sincerely together, the process will bear fruit. However, in the circumstances that either side is not sincere, the process will not succeed and this situation, unless addressed seriously by governments on both sides, will no longer restore "business as usual."