

1. Introduction

After fighting three wars and several border skirmishes, in January 2004 India and Pakistan started a dialogue covering all disputed issues between the two countries, including Jammu and Kashmir, commonly referred to in the West simply as "Kashmir." In the past, periodic tensions between the two countries produced crises, sometimes with the potential for a nuclear exchange. At present, a formal ceasefire along the border is accompanied by an unprecedented yearning for peace among the peoples of India, Pakistan, and divided Kashmir. These new ground conditions and a changed security environment have created an ambience for reconciliation and a window of opportunity for settling the Kashmir conflict. This paper examines the prospects of peace and conflict resolution in Kashmir against the backdrop of recent changes in the security environment of the South Asian region and following reconfiguration of the strategies of the main parties involved in the conflict.

2. Background

2.1 Brief History of the Kashmir Conflict

The territory of Jammu and Kashmir has been hotly contested since India and Pakistan won their independence in 1947. With the end of British colonial rule the Indian subcontinent was partitioned along religious lines, leading to the formation of Muslim Pakistan and Hindu-predominant but secular India. The new Pakistan was, however, a geographical incongruity. Its two wings, West and East Pakistan – the latter becoming independent Bangladesh in 1971 – were separated by 1,000 miles of Indian territory.

Kashmir was one of the 565 princely states of British India, with a Muslim majority but a Hindu ruler. According to the India Independence Act of 1947, the rulers of princely states were given the option to join either India or Pakistan. The Kashmir ruler, Maharaja Hari Singh, at first wanted to remain independent.

Ashok K. Mehta

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However, following an invasion by Muslim tribesmen from Pakistan the Maharaja decided to accede to India. Pakistan immediately contested the accession, claiming that because of the Muslim majority Kashmir should have joined Pakistan. The dispute erupted in the first Indian-Pakistani war over Kashmir, lasting from 1947 to 1948.

Although convinced that Britain had played a crucial role in creating the Kashmir dispute and that Britain wanted Pakistan to keep Kashmir, where it had strategic interests,¹ India followed British advice and took the dispute to the United Nations in 1948. The UN brokered a ceasefire that ended the first Indian-Pakistani war on January 1, 1949, leaving two thirds of Kashmir with India and the remaining one third with Pakistan. The UN Security Council Resolution of August 1948 further stated that the future of Kashmir was to be decided by a plebiscite. The resolution stipulated three preconditions which had to be realized before a referendum was held: a ceasefire, the withdrawal of Pakistani troops, and the removal of the bulk of the Indian military presence in Kashmir. These preconditions were never met. On a visit to India in mid-2002, UN Secretary General Kofi Annan admitted that the UN Resolution on Kashmir was no longer implementable.

In the following decades India and Pakistan fought two more wars, in 1965 and in 1971. In 1999 India launched air strikes against Pakistani-backed forces that had infiltrated Indian-administered Kashmir, north of Kargil. Pakistan responded by putting its troops on high alert as the fighting built up towards a direct war between the two states. Further escalation of the conflict was not stopped until the United States intervened and pressured Pakistan's Prime Minister Nawaz Sharif to call upon the infiltrating forces to withdraw.

Since the 1960s the wars and armed conflicts between India and Pakistan have not changed any basic

1 Major General Kuldip Singh Bajwa (Retd), *Jammu and Kashmir War (1947–48): Political and Military Perspectives* (New Delhi: Har-Anand Publications, 2003), p. 13. There are many books which allege Britain's complicity in the partition of India and Kashmir.

condition of the Kashmir conflict but merely altered the nomenclature of the Cease-Fire Line to the Line of Control (LoC) at the end of the 1971 war. The divide in Kashmir which is the result of three wars is delineated today on the map as the 778 km of the Line of Control, the 198 km of the International Border in the Jammu sector, and the 120 km of the Actual Ground Position Line on the Siachen glacier.

In the 1990s the Kashmir conflict acquired a new dimension with cross-border terrorism (CBT) increasingly destabilizing the region. India holds Pakistan responsible for supporting CBT and claims that the Pakistani government is using terrorism and Jihad as a strategy of clandestine warfare in the Kashmir dispute with India. Terrorist attacks reached a climax on December 13, 2001 when Pakistan-based terrorists attacked the Indian Parliament. Pakistan denied any involvement in the terrorist attack, maintaining that the violence was indigenous, and that it provided only moral, political, and diplomatic support for the “just struggle of the people of Kashmir.” India, however, believed the Pakistani government to be involved in the attacks and responded with a military standoff code-named Operation Parakaram (Valour) which brought India and Pakistan to the brink of war twice in 2002. The huge deployment of forces on both sides raised fears within the international community about the possibility of a nuclear escalation of the Kashmir conflict. The international community, and in particular the US government, intervened by diplomatic means, averting a military showdown.

2.2 Main Concerns and Interests of the Parties to the Conflict

Since 1947 the Indian-Pakistani dispute over Kashmir has caused periodical eruptions of violence and has become perceived internationally as a nuclear flash-point. There are three main players in the conflict in Kashmir: Pakistan, India, and – becoming increasingly important in recent years – the international community.

For Pakistan the Kashmir issue is embedded in the very idea of the nation. Based on the two-nation theory, Pakistan feels that the contiguous Muslim-majority Kashmir valley should belong to it. A resolution of the Kashmir issue is therefore a core concern for the Pakistani government. Some observers argue that the Kashmir conflict has a further strategic dimension for Pakistan: that if India were not pressed in Kashmir, its conventional military superiority over Pakistan would be overwhelming. Therefore, many Indians doubt that,

even if the Kashmir dispute was resolved, the animosity between India and Pakistan would go away. On the other hand, there is a growing pressure in Pakistan to change its stance not only on cross-border terrorism but also on Kashmir in general, with an increasing number of intellectuals and media voices advising the government to rethink its policies.

The Kashmir dispute and the hostile nature of Indian-Pakistani relations for over half a century have strained India's ties with some of its neighbors and have acted as an impediment to the region's prosperity and stability. Pakistan has remained a drag on India's aspirations to emerge as a regional and world power. This is a key reason for India wanting to settle the dispute with Pakistan. Yet for India, Kashmir is the epitome of its secular nationhood and any suggestion that Kashmir or parts of it could be separated would unravel the nation state. For India the problem is how to get Pakistan to accept the status quo. For a durable settlement, however, India will probably have to make some territorial concessions on Kashmir. In an interview with the BBC in June 2004, Indian foreign minister K. Natwar Singh conceded that when the time came, and if it was necessary, some “adjustments” on the LoC were possible. Another core Indian concern is to stop cross-border terrorism which it believes to be actively supported by the Pakistani government.

The international community has become increasingly engaged in the conflict since tensions over Kashmir periodically threaten to precipitate a nuclear crisis. Pending a political resolution of the 56-year-old Kashmir dispute, they want to put in place a series of confidence- and security-building measures, especially a nuclear risk reduction mechanism.²

2.3 Past Peace Initiatives

There have been various attempts to find a peaceful settlement on Kashmir. The first window of opportunity on Kashmir opened after the 1962 Sino-Indian war. Moscow's open support for China came as a shock to India, that had had a traditional strategic partnership with the USSR, and heightened India's sense of isolation. At that moment the US and the UK governments presented a joint initiative to resolve the

2 The author has participated in several Track II meetings in India and the UK, discussing the urgency of establishing a nuclear risk reduction centre in Islamabad and New Delhi and working out a framework for a nuclear stability regime. Nuclear experts from both countries met in Delhi on June 19 and 20, 2004, to work out confidence-building measures on nuclear weapons and missiles.

Kashmir conflict. A mission led by Averell Harriman and Duncan Sandys created conditions for six rounds of bilateral talks on Kashmir between foreign ministers Zulfikar Ali Bhutto and Swaran Singh, taking place between December 1962 and May 1963. President Kennedy himself guided the two sides and the agenda of the talks. The US strategy was to get Pakistan to consider the possibility of “an international boundary running through Kashmir,”³ that is, making the existing LoC into an International Border.

The Indian position, broadly speaking, was that Pakistan could keep territory held by it and India would give up more territory west and north of the Srinagar valley but concede nothing in the valley itself. Pakistan, on the other hand, demanded to keep the valley and let India keep parts to the north in Ladakh and to the south in Jammu, while providing a corridor through the valley for connectivity between north and south. The talks inevitably broke down over the possession of the Muslim-majority Srinagar valley.

The next opportunity for a Kashmir solution came in 1964. The main players then were Kashmir’s Sheikh Abdullah, Pakistan’s President Ayub Khan, and Indian Prime Minister Jawaharlal Nehru. The peace talks of April–May 1964 considered three options: (i) condominium over Kashmir between India and Pakistan, with defense and foreign affairs being the joint responsibility of the two countries; (ii) acceptance of the Line of Control with both Pakistan and India giving greater autonomy to the part of the state under their control; and (iii) the most formidable of all, a full fledged confederation of India, Kashmir, and Pakistan.⁴ The death of Nehru in May 1964, however, ended any chance of exploring these solutions.

In September 1965, after the second Indo-Pakistan war, Soviet Premier Kosygin brokered a ceasefire in Tashkent. He tried to persuade Pakistani President Ayub Khan to accept the Line of Control, with adjustments, as the International Border. However, Ayub Khan was unwilling to do a deal without the Srinagar valley. Even after the 1971 war in which India won an outright military victory and took 90,000 Pakistani prisoners of war, the Delhi government could not get Pakistan to accept the conversion of the LoC into an International Border. However, India came close to extracting a commitment from Pakistan on creating a permanent border, with Prime Minister Bhutto agreeing in principle to making the LoC into a “line of

peace” and giving an assurance to Indian Prime Minister Gandhi that the arrangement would be formalized later.

Since the first peace talks the idea of converting the LoC into an International Border has been the most consistent formula for a resolution of Kashmir.⁵ India had hoped that over the course of time and with a civilian government in Pakistan it could sell the idea of LoC with some adjustments as the basis for a final settlement. However, the Pakistani military was never ready to accept the status quo. For India, a second partition of the Indian subcontinent or a substantial re-drawing of maps has always been unacceptable, reviving memories of the 1947 partition in which 20 million Hindus and Muslims were forced to switch sides.

Between 1975 and 1988 no Pakistani leader was ready to discuss the Kashmir question. It was only after cross-border terrorism started in 1990 that the Pakistani government raised the Kashmir issue. The idea of a composite dialogue on all disputed issues between India and Pakistan has been on the cards for more than a decade but it is only now that the roadmap is accepted.

The new window of opportunity can be linked to an increasing war weariness and conflict fatigue on both sides. The prospect of a sustained peace process is also significantly influenced by recent changes and developments within the security structures of South Asia, particularly the security environment of India.

3. Security Structures in South Asia: Recent Changes and Developments

3.1 India’s Role in South Asia

A geographical description of South or Southern Asia evades exactitude, given the emergence of the new Central Asian Republics and a free Afghanistan. South Asia in its most widely accepted definition includes the “mother country” India, Pakistan and Bangladesh (both separated from it), and the Himalayan kingdoms of Nepal and Bhutan – all part of the erstwhile Indian subcontinent – as well as the islands of Sri Lanka and

3 Timothy W Crawford, “Kennedy and Kashmir – 1962–63. The Perils of Pivotal Peacemaking in South Asia,” *India Review* 1 (3) (July 2002): 13.

4 Ramachandra Guha, “One More Last Chance,” *Hindustan Times* (March 31, 2004).

5 However, there are alternative models for a Kashmir peace settlement, explored in a number of studies. These include the Dixon Plan, the Chenab formula, the Trieste or Irish model, and so on. The first two involved partition of Indian-held Kashmir; the other two united a divided Kashmir, exploring a confederation of the two Kashmirs in India and Pakistan. There were other models of a united Kashmir with soft borders, each with considerable autonomy but without change of allegiance. The US-based Kashmir Study Group has produced more variations on these options.

the Maldives. Barring Nepal, these countries were part of the British Empire, that also included Burma – now Myanmar – which was once part of the Bengal province of India.

India is the dominant military, economic, and demographic power in the region. It is larger than all the other six countries put together in practically every sphere of activity. Because of the huge power differential between India and its neighbors, these countries have invariably sought leverage from extra-regional powers. China, although not part of South Asia, has played a particularly important role in this regard. For years, in India official threat analysis has assumed Pakistan to be the immediate and short-term threat and China the longer term challenge and rival, having a long history of border disputes with India. The security environment of India has long been defined by these two conflicts, with China and Pakistan, India's largest neighbors, being strategic partners allied against it. This predicament is still the geostrategic conundrum of the region.

3.2 India's Changing Security Environment

Four geo-strategic events have altered the security environment in the region in recent years: the end of the Cold War, the consequences of the nuclear tests, the "War on Terrorism," and revelations about nuclear proliferation.

The End of the Cold War

In the wake of the end of the Cold War India's relations with the world's leading powers have changed substantially. The breakdown of the USSR ended the traditional Indian-Soviet strategic relationship and it was not until President Putin took charge that these ties firmed up again. Indian-Russian relations are anchored mainly in India's preponderant reliance on erstwhile Soviet military hardware, while economic ties are strikingly weak.⁶ Nearly 70 percent of India's military equipment and spares still come from Russia and former Warsaw Pact countries. This dependence is unlikely to diminish in the short term, despite India's burgeoning defense ties with other countries, particularly Israel and the US.

6 For example, while defence imports from Russia in the last 10 years have averaged \$3–5 billion annually, two-way trade has remained below \$1 billion.

During the last decade India has significantly improved its relations with China, against which it fought a disastrous border war in 1962. India realized it could not afford to have two hostile neighbors if it wanted to emerge as an economic power. This turnaround in relations between India and China also contributed to improving relations between India and Pakistan.

Most importantly, however, the end of the Cold War has dramatically revived Indian-US ties after nearly three decades of estrangement, sometimes bordering on hostility.⁷ India's economic liberalization in the early 1990s was an important factor in turning Indo-US relations around. However, defense and security aspects have played an even more important role in building new Indo-US ties.⁸

Consequences of the Nuclear Tests

India's original motivation in going nuclear was to acquire a strategic equalizer against conventionally stronger and nuclear-capable China. Pakistan's compulsions were identical: it sought strategic parity with the more powerful India. Although previous governments had already come close to testing a nuclear device⁹ it was not until 1998 that the right-wing Hindu Bharatiya Janata Party-led government in India carried out its first nuclear tests. Pakistan immediately responded with its own nuclear tests. In addition, Sino-Indian relations degraded severely after India named a potential threat from China as the reason for its tests. Relations with China were resurrected only when foreign minister Jaswant Singh visited Beijing in June 1999 to "untie the knot" by confirming that "China was not a threat to India." The reaction from the world community to the nuclear tests varied from condemnation to strong disapproval. Both India and Pakistan were subjected to sanctions in accordance with UN Security Council Resolution 1172 on account of the nuclear tests. Their nuclear capability had to be contained at the very least and rolled back if possible. The

7 Thus in 1971, the US had tried to coerce India into ending its war with Pakistan by sending the nuclear aircraft carrier USS Enterprise.

8 Sumit Ganguly, *US–South Asia Relations: A Future Unlike the Past?* (University of Texas, Austin, December 2002). In 1991 Lt Gen. Claude M. Kickleigher proposed a range of military-to-military contacts. His initiative was followed by an Agreed Minute on Defence Relations signed in 1995. For more on Indo-US defence collaboration see Ranjit B Rai, "New Age Ahead," *The Pioneer* (April 4, 2004).

9 In 1983 and 1995, the Congress government wanted to carry out a nuclear test but was finally deterred as the international and economic costs of the tests were perceived to be far greater than the assumed strategic gains.

reaction from India's Western partners, particularly Japan, Germany, Australia, and Canada, was also severe. Only the US was more conciliatory and practical in dealing with the "genie out of the bottle."

Despite the international criticism the nuclear tests were paradoxically India's (and Pakistan's) coming of age. The US policy of estrangement was transformed into engagement.¹⁰ In autumn 1998, Stephen Cohen of the Brookings Institute, Washington, observed that it was ironic that India had had to test its nuclear weapons to be noticed by the US.¹¹ Shortly after the testing, India's foreign minister Jaswant Singh and US Deputy Secretary of State Strobe Talbott engaged in the most sustained dialogue ever between India and the US: 12 rounds over 14 months. Talbott later wrote: "India going nuclear provided the impulse for diplomatic engagement that brought relations out of the half century long rut."¹²

Thus one of the unintended consequences of the nuclear tests was the start of a multifaceted and sustained engagement by the US in South Asia in general, and in India in particular. However, one expected consequence of the nuclear tests of India and Pakistan – enhanced regional stability due to sharpened deterrence – has remained elusive.¹³ One can argue that it has even increased instability, encouraging an escalation of proxy war activities and cross-border terrorism. This phenomenon was described in the 1960s as the "stability–instability paradox": while stability prevails at the nuclear level, instability increases at the conventional and subconventional level.¹⁴

The "War on Terrorism"

The terrorist attacks in the United States of September 11, 2001 corroborated India's stand on terrorism. Since 1990 India, as the primary victim of CBT in the

region, had been warning that the epicenter of terrorism was shifting from the Middle East to Afghanistan and Pakistan. However, before 9/11 these warnings were not acknowledged by the US and the international community, which linked India's stand on terrorism exclusively to the Kashmir dispute. Even after the attacks on the World Trade Center and the Pentagon the US did not immediately put its full weight behind efforts to prevent cross-border terrorism in South Asia.

India, having experienced the dreadful consequences of terrorism for a long time, sharply condemned the terrorist attack against the United States and offered operational and logistical support for the war in Afghanistan. This unequivocal support for George W. Bush was as unprecedented as India's earlier endorsement of his Ballistic Missile Defense Plan. In a sense, both India and Pakistan are now competing for the attention of the US, the sole superpower. However, Pakistan is an old ally of the US dating back to Cold War days when Pakistan supported the US in its fight against the Soviet invasion of Afghanistan. Furthermore, the US need for Pakistan remains far greater than its strategic interest in India, with Pakistan a frontline state in the US war against Al Qaeda and the Taliban in Afghanistan and inside Pakistan.

Revelations on Nuclear Proliferation

The latest seismic event in the region was the admission at the beginning of 2004 by Pakistani nuclear scientist Abdul Qader Khan that he had passed on nuclear material and technology to Libya, Iran, and North Korea, and his pardon by President Pervez Musharraf. Even before the revelations there had been many doubts about the safety and security of Pakistan's nuclear assets. A CIA report concluded that North Korea had received a package very similar to the one the Khan network sold to Libya for more than \$60 million, which included nuclear fuel, centrifuges, and one or more warhead designs.¹⁵ These misgivings were accentuated by claims that Abdul Qader Khan had links with the Al Qaeda and Lashkar e Taiyyaba (a Pakistani terrorist group which has worked closely with Al Qaeda in Afghanistan).¹⁶ According to another CIA report, Osama bin Laden is reported to have met Khan in

10 For a sound discussion of the diplomatic history and the grand strategies of the two states, which were mainly at loggerheads, see Dennis Kux, *India and the United States: Estranged Democracies. 1947–1992* (Washington DC: National Defence University Press, 1993).

11 Ashok K. Mehta, *War Despatches: Operation Iraqi Freedom* (New Delhi: Har-Anand Publications, 2004), p. 203.

12 Strobe Talbott, *Engaging India: Diplomacy, Democracy, and the Bomb* (Washington DC: Brookings Institution, 2004).

13 Although in the case of the conflict in Kargil in 1999 and the outbreak of hostilities in 2002, one might argue that the possession of nuclear weapons by both sides prevented further escalation of the conflict.

14 The concept was first floated by Glenn Sneider. It was adapted to South Asia by Michael Krepon of the Stimson Centre, Washington, after India and Pakistan went nuclear in 1998. Sumit Ganguly, University of Texas, Austin, is another proponent of this theory.

15 David E. Sanger, *International Herald Tribune* (March 15, 2004).

16 Bernard-Henry Lévy, author of *Who Killed Daniel Pearl?*, in an interview with Shyam Bhatia in *India Abroad* (November 14, 2003), said that Wall Street Journal reporter Daniel Pearl was killed as he was investigating links between Al Qaeda and the US and the transfer of nuclear know-how from Pakistan to Al Qaeda.

Northern Afghanistan in 1998. There are speculations that while Al Qaeda may have the expertise to fabricate a crude atomic bomb, it does not have the required fissile material.

In a reaction to Khan-Gate US President George W. Bush set out a seven-point action plan and reinforced the existing Proliferation Security Initiative to counter proliferation and to plug the loopholes in arms control and the Non-Proliferation Treaty. However, the question of how to secure Pakistan's nuclear assets and ensure they do not fall into the wrong hands has not yet been resolved.¹⁷

Besides the reinforcement of counterproliferation the US response to nuclear proliferation has been rather surprising. Instead of punishing Pakistan the status of Major Non-NATO Ally was conferred on it by the US soon after the revelations.¹⁸ The MNNA status is a security reassurance for Pakistan and bound to inhibit India in any military designs against it. The US also lifted the sanctions imposed following the military takeover in 1999. The US response shows clearly how much the US needs Pakistan's cooperation in its "War against Terrorism."

3.3 Strategic Reconfiguration

The changes in the security environment following the end of the Cold War, nuclear empowerment of India and Pakistan, and the US-led "War on Terrorism" have altered the strategic landscape of the region, particularly in regard to the question of sovereign space, strategic autonomy, and the feasibility of a limited war.

Today, the US is the key player in the region, and enjoys good political relations with both India and Pakistan. The US military presence in the region has increased sharply in the context of the global war against terrorism. At the height of Operation *Enduring Freedom* in Afghanistan, approximately 20,000 US soldiers and airmen were deployed in Pakistan at air and logistics bases close to the Afghan border. Their presence in Pakistan was cited as one of the reasons why the US did not want India to go to war in 2002. Even today, there are nearly 4,000 US military and civilian personnel in Pakistan coordinating the operations of US and Pakistani troops. US soldiers have a sizeable

presence in Central Asia – Uzbekistan, Kyrgyzstan, and Tajikistan – and are known to be deployed periodically in Sri Lanka, Bangladesh, and Nepal, ostensibly as part of an enhanced military assistance and training program. Moreover, NATO forces are deployed in Afghanistan. Both US and NATO forces now constitute a powerful extra-regional military influence in South Asia.

The deployment of US forces and the US political engagement in the region inhibit the freedom of action of local players. In particular, the strategic autonomy of India and Pakistan has receded sharply. Unlike during the Cold War, India and Pakistan have now to live with minders who are gradually eroding their autonomy of action. However, seen from a regional perspective the military and political engagement of the US (and other extra-regional players such as NATO) is likely to prove a stabilizing factor in an area of tension and turbulence. Though the US presence may also reinforce anti-American sentiment it has doubtless improved the chances of peace and stability in the region.

Finally, even a limited war in the region has become rather unlikely. After the nuclear tests by India and Pakistan the option of an all-out conventional war between the two countries had been virtually written off, but Indian strategic experts held that there was still room for a limited conventional engagement below the nuclear threshold. This concept of a limited war has been advocated by India for some time. Yet, given Pakistan's low nuclear threshold and the increasing international – and particularly US – proclivity to intervene in order to avert war and a possible nuclear exchange the option of a limited war has become very remote. As soon as one side or the other contemplates military action the international community led by the US intervenes, counseling restraint and invoking a UN-brokered ceasefire – as seen during the Kargil border war of 1999 and the more recent 10-month military confrontation of 2002 (when India finally withdrew its forces without initiating hostilities). Nuclear weapons have therefore all but ruled out an overt war.¹⁹ This truth has written off the case for a military solution of Kashmir, paving the way for a negotiated settlement of the dispute.

17 There are, however, reports that the US is now keeping a close watch on Pakistani nuclear assets and has invested around \$40 million in their safe custody, possibly with the use of PALS (Permissible Action Links), a dual-key safety device against unauthorised use.

18 Sridhar Krishnaswamy, "Grant of New Status Will Affect India-Pakistan Ties: Pallone," *The Hindu* (April 1, 2004).

19 Ashok K. Mehta, "India-Pakistan Military Confrontation 2002: Strategic Lessons from Operation Parakram," paper for *SP's Land Forces* (May 2004), edited by Lieutenant General P.K. Pahwa (Guide Publications). For a detailed discussion, see V.R. Raghavan, "Limited War and Nuclear Escalation in South Asia," *The Journal* 8 (3) (Fall-Winter 2001), Centre for Non-Proliferation Studies, Monterey Institute for International Studies.

4. The Window of Opportunity in Kashmir

4.1 Positive Regional Developments

The US's increased clout in the region, its strong influence over India and Pakistan, and nuclear deterrence have absorbed the room for conflict and improved the chances of a breakthrough on the Kashmir dispute. Since 2003 India and Pakistan have been engaged in a serious peace process, triggered by the military confrontation threatening war in 2002 and the following peace initiative undertaken by former Indian Prime Minister Vajpayee in April 2003. Backchannel diplomacy played a significant role in getting the two sides to the negotiating table.

In November 2003 Pakistan, for the first time in the 56 years of confrontation over Kashmir, ordered a unilateral ceasefire across the entire 4,000-km border. This has been scrupulously observed by both sides, leading to very low levels of infiltration and violence in Kashmir. The winter of 2003–2004 was the most peaceful in recent times. The thaw in Indian–Pakistani relations culminated in the important India–Pakistan Joint Statement at Islamabad in January 2004.

The President of Pakistan and the Prime Minister of India met during the South Asian Association for Regional Cooperation (SAARC) summit in Islamabad. Both leaders welcomed the recent steps towards normalisation of relations between the two countries and expressed the hope that the positive trends set by the CBMs would be consolidated. Prime Minister Vajpayee said that in order to take forward and sustain the dialogue process, violence, hostility and terrorism must be prevented. President Musharraf assured Prime Minister Vajpayee that he will not permit any territory under Pakistan's control to be used to support terrorism in any manner. President Musharraf emphasised that a sustained and productive dialogue addressing all issues would lead to positive results. The two leaders were confident that the resumption of the positive dialogue would lead to peaceful settlement of all bilateral issues including Jammu and Kashmir to the satisfaction of both sides.²⁰

The breakthrough in Islamabad would never have been possible but for two ground realities: the realization by both sides that a military solution was impossible and the understanding that compromises had to be made. Pakistan seems to have realized that its strategy

regarding Kashmir was in fact damaging its interests. India understands that it can no longer bear the cost of an unending war and that it has to start a dialogue on Kashmir. The immediate compromise was sealed on the principle of reciprocity and simultaneity, with Pakistan answering India's demands regarding cross-border terrorism and India agreeing to discuss Kashmir.

In February 2004, high-ranking officials from the two countries met in Islamabad and agreed on a timetable for a composite dialogue on all outstanding issues between Pakistan and India, including the Kashmir dispute. Some minor changes were made in the timetable due to the change of government in Delhi in May 2004 but the peace process has continued. The three issues highest on the agenda are (i) military disengagement from Siachen, the world's highest battleground, (ii) sustaining the ceasefire through additional confidence-building measures, and (iii) establishing a Nuclear Risk Reduction Center (NRRRC) in the national capitals or, in the interim, a nuclear risk restraint regime. Talks on these issues have started. India has made 71 proposals, including six on military CBMs, which Pakistan has agreed to consider and will respond to shortly. One of the newest and most potent confidence-building measures is the overland gas pipeline project from Iran through Pakistan to India, for which Pakistan is ready to provide international guarantees.²¹ The first round of the composite dialogue was completed successfully by the end of August.

4.2 Chances of Success of the Peace Process

Will the present situation be more conducive to a successful conclusion of the peace talks than in the past? Four reasons instill hope. The changed security environment, most notably US pressure and presence in the region, political will on both sides, conflict fatigue, and the groundswell of public support for peace in India, Pakistan, and on both sides of the divide in Kashmir.²² Furthermore, dialogue has started not only between Delhi and Islamabad but also between Delhi and Srinagar, the capital of Indian Kashmir. India has lately permitted Kashmiri leaders to interact with Pakistani officials. Delhi has appointed a special interlocutor to talk to Kashmiri groups and political parties, notably the Hurriyat Conference. Last year, former Chairman of the Pakistan Kashmir Committee Sardar Qayyum Khan publicly advocated the need for talks with India

²⁰ Islamabad Joint Statement of January 6, 2004, following the summit meeting between the leaders of India and Pakistan in Islamabad, Pakistan.

²¹ B. Muralidhar Reddy in *The Hindu* (June 8, 2004).

²² Ashok K. Mehta, extracts from the Katariya Memorial Lecture entitled "Ceasefire to Peace Process in Gurgaon" (February 21, 2004).

on conversion of LoC into a border (this is considered by most Kashmir experts as the most practical and realistic option).²³ Another useful step would be to initiate a dialogue between political leaders from the two sides of Kashmir.

However, there are also critical voices. Some observers argue that "the maximum concessions India can make fall well short of the minimum Pakistan seeks".²⁴ The perceptions of US experts on South Asia concerning the prospect of peace are also rather pessimistic. The Henry Stimson Center in Washington holds that the peace moves will falter as "the Pakistan Army cannot wean itself away from the need for an adversary and for Kashmir to remain on the boil."²⁵ It is argued that positive short-term indicators mask the turbulent internal dynamics of Pakistan, intrinsically linked to Islamists, Taliban, and Jihadis. Indian-American Ashley Tellis of the Carnegie Endowment further argues against a proactive role by the US in South Asia to nudge the peace process forward. His contention is that the US should come in only when Pakistan requires "reassurances" on difficult and substantive security issues. Giving Pakistan Major Non-NATO Ally status as a reward for its cooperation against Al Qaeda appears to be part of this approach.

However, these views of American experts, while pragmatic, have not taken cognizance of the changing mindset in Pakistan, where people are fed up with war. People in Pakistan are becoming more interested in the state of the economy than in Kashmir. Retired military officers, after years of hedging, are now admitting that Kargil was a mistake. These are signs of changing times.

US experts are right in thinking that the ultimate arbiter of Pakistan's destiny and the Kashmir dispute is the Army, but also in this regard the current constellation is promising. Pakistani President General Pervez Musharraf is known to be in full control of the Army and the nine Corps Commanders, as well as the Inter Services Intelligence (ISI). In addition, he has the full backing of the US. The formidable combination of "Army, Allah, and America," notwithstanding widespread anti-Americanism in Pakistani society, has al-

ways been a decisive factor in Pakistan and gives Musharraf a unique position in negotiating peace with India.

However, will President Musharraf be able to deliver on the peace process, and in particular on meeting India's demands regarding cross-border terrorism? There has lately been a marked reduction in violence and infiltration in Kashmir, yet more accurate statistics will not be known until August–September when the snows have melted over the passes across which terrorist infiltration in Kashmir takes place.

A further possible obstacle to the peace process could be the limited authority of Musharraf after 31 December 2004, when he has promised to give up the post of Army Chief and become a civilian President. In October 2004 the two claimants to the position of Chief of Army Staff, Generals Mohammad Aziz and Yusuf Khan, will both retire. The next in line is a Musharraf protégé, Lt Gen Siddiqui, currently Corps Commander in Lahore. As President Musharraf will retain the power to appoint the Army Chief and dismiss the government, as well as to chair the National Security Council, his position appears quite secure. The existing chain of authority and succession should ensure stability in Pakistan and enable Musharraf – with or without his uniform – to continue his policy of seeking a just and fair resolution of Kashmir with India. Even if Musharraf was to be assassinated (having already survived three assassination attempts) there is a fair chance of the peace process surviving as the US can be expected to influence and oversee the transfer of power to another Pakistani army general. In this case the peace process with India would probably be delayed but seems unlikely to be derailed altogether.

5. Conclusion

Even the worst cynic will agree that the constellation of stars over Kashmir has never been better. If the US stays the current course and no seismic changes occur in India and Pakistan, there is reason for discreet optimism concerning the success of the peace process started at the beginning of 2004. A roadmap is ready, the two sides have begun to "walk the talk." A whole range of new military and non-military confidence-building measures, including some on nuclear restraint and flight testing of missiles, are under consideration. For the first time since 1962, the Kashmir issue is being discussed between the two governments.

However, the momentum of the peace process is still contingent on three crucial issues: (i) progress on negotiations on a final resolution of the Kashmir dis-

23 Ashok K Mehta, "Can the LoC be a Line of Peace?," *The Pioneer* (January 2003). The author attended a conference with Qayyum Khan in February 2003 at Wilton Park, UK, where Khan confirmed that the LoC formula had to be tested with the people and the military in Pakistan. The idea was, however, shot down by the establishment. See also KK Katyal "LoC and its Conversion as Border," *The Hindu* (January 14, 2003).

24 K Shankar Bajpai, "Grrr Interrupted," *The Hindustan Times* (March 17, 2004).

25 Aziz Haniffa, in *India Abroad* (March 12, 2004), quoting from the proceedings of a seminar on South Asia Peace Moves.

pute, (ii) Pakistani flexibility on linking Kashmir with other issues, and (iii) delivery by the Pakistan government in stopping cross-border terrorism. The dismantling of the infrastructure of terrorism would be a crucial confidence-building measure. According to US Deputy Secretary of State Richard Armitage, Pakistan is required to end cross-border terrorism permanently, irreversibly, visibly, and to the satisfaction of India. On the other hand, the onus of sustaining the peace dialogue is on India: it has to be seen to be seriously negotiating on Kashmir and not buying time or sidelining it. Pakistan, similarly, should not stall the resolution of other disputes because of the known difficulties in showing progress over Kashmir.

There are still serious obstacles to be overcome within the peace process. However, there is reason for hope, stemming mainly from one significant fact: after 40 years, Pakistan has got India to discuss the Kashmir issue and break the status quo. For Musharraf, this alone is a major achievement. Furthermore, the ground situation has been transformed dramatically thanks to the ceasefire. Most Pakistanis, including some retired Generals, now appear sincere about resolving their disputes with India peacefully. After initial hesitation the new government in Delhi is now in full compliance with the road map for peace drawn up by the previous government.

The yearning for peace is evident on both sides of the divide. If the Americans keep their eyes on Kashmir, there is a good prospect that the two sides will remain engaged in dialogue. The continuation of this dialogue is a crucial precondition for finding a final settlement of the Indian-Pakistani dispute. Maintaining the ceasefire on the borders is equally important and eventually the LoC could become a line of peace, as envisioned by Zulfikar Ali Bhutto. The key to Kashmir is not in seeking a quick answer but in remaining engaged in the peace process, seeking a creative and sustainable solution to this vexed dispute.