



About the Report

The report examines the reaction of the people of Jammu and Kashmir to various cross-LoC contacts that have been initiated by India and Pakistan which is an important bilateral Confidence-Building Measure (CBM) between India and Pakistan. This report also analyses the problems and prospects of opening of other routes.

This study was supported by the Institute for Defence Studies and Analyses (IDSA), New Delhi. The field visit, which forms the basis of this study, involved a three-week trip to Jammu, Kashmir and Ladakh to conduct interviews with people belonging to different strata of the society and having a stake in the cross-LoC exchanges. Apart from the two existing points through which cross-LoC travel and trade takes place, the authors also visited some other points on the LoC to ascertain the feasibility of opening up of additional routes.

This study is to a large extent based on interviews with politicians, journalists, government officials, traders, transporters, academics and most importantly the people who availed of cross-LoC travel. The study concludes that the benefits of cross-LoC CBMs clearly outweigh the costs and there is a need to improve existing mechanisms and increase opportunities for more cross-LoC contacts as they would yield even better results in the long term. This report is the first part of a larger work on cross-LoC contacts.

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Cross-LoC Confidence Building Measures between India and Pakistan: A Giant Leap or a Small Step towards Peace?

Summary of the Report

- The origins of cross-LoC contacts lie in the 2003 ceasefire between India and Pakistan. Following a meeting between Prime Minister Atal Bihari Vajpayee and President Pervez Musharraf on the sidelines of the SAARC Summit in Islamabad in 2004, came the Pakistani assurance that it would not allow any part of its territory in its control to be used against India. As a result, a new beginning was made by implementing Confidence-Building Measures in Kashmir.
- This process was taken further by Dr Manmohan Singh's speech in Amritsar on March 24, 2006 where he spoke of a joint mechanism for socio-economic cooperation between the two parts of Jammu and Kashmir.
- Cross-LoC people-to-people contact in the Srinagar-Muzaffarabad sector started in 2005 and was extended to the Poonch-Rawalakote sector in 2006. Cross-LoC trade in both the sectors commenced on October 21, 2008. These contacts have opened up immense possibilities for cooperation between the two parts of Kashmir.
- Both India and Pakistan have taken cautious steps and would like to move on the path of cooperation gradually. Once this process is strengthened, perhaps more joint ventures can be envisaged between the two parts of Kashmir.
- The process has helped in reducing the trust deficit that has existed between India and Pakistan at one level, and between the Government of India and the people of Jammu and Kashmir at the other.

- The trade basket needs to be expanded and there is a need to introduce banking facilities. Businessmen involved in this trade should be provided with the opportunity to have frequent meetings. Issuance of multiple-entry business visas will be of great help in this regard.
- Cross-LoC people-to-people contact is an important step in bringing the divided families closer and generates tremendous goodwill towards the state and central governments. The visa process needs to be simplified and the time taken to issue the travel permit needs to be reduced so that the goodwill generated by such initiatives is not squandered away.
- Cross-LoC contacts will go a long way in improving India-Pakistan relations. The peace dividend accruing from these initiatives is enormous.

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I also envisage a situation where the two parts of Jammu and Kashmir can, with the active encouragement of the governments of India and Pakistan, work out cooperative, consultative mechanisms so as to maximise the gains of cooperation in solving problems of social and economic development of the region.

Manmohan Singh, Prime Minister of India, Amritsar, March 24, 2006



Inauguration of Srinagar-Muzaffarabad Bus Service



Inauguration of Poonch-Rawalakote Bus Service

Introduction

Dialogue between India and Pakistan resumed after a long hiatus in 1997. The talks had broken down in 1994 due to Pakistan's sponsorship of terrorism in India. The Foreign Secretary level meeting of June 23, 1997 agreed to constitute Joint Working Groups (JWGs) on eight issues that were identified to be discussed between India and Pakistan¹. This process is known as Composite Dialogue. The Lahore Agreement of February 1999 had reiterated the desire of the two countries to move forward on the path of dialogue. The Kargil War in June-July 1999, the failed Agra Summit in May 2000, the attack on India's Parliament on December 13, 2001 and the subsequent mobilization of troops on the border, contributed to the difficult phase in the bilateral relations. After a gap of more than two years, both the countries agreed to commence the process of the Composite Dialogue in February 2004. This became possible only after General Musharraf assured Prime Minister Vajpayee that he would not allow any part of the territory that is under Pakistan's control to be used to support terrorism against India. Subsequently, the foreign secretaries of the two countries met on February 18, 2004, to start the process of Composite Dialogue.

“(T)he expansion of people-to-people contacts, including through trade and commerce will provide an effective platform to develop and strengthen bilateral relations”-

Pranab Mukherjee,
October 22, 2008

Trade and travel across the LoC were envisaged as key elements of the Confidence Building Measures (CBMs) between India and Pakistan among the seventy-two CBMs proposed by India. To carry this proposal forward, on 28 December 2004, India's Foreign Secretary Shyam Sharan, announced that given the humanitarian issues affecting the people on both sides of the Line of Control (LoC), India has put forward “a proposal for meeting of families/reunion of families in Kashmir at five places, on designated days and periods of time, under joint security arrangements.”² The proposed places were Mendhar, Poonch, Suchetgarh, Uri, and Tangdhar along the Neelam Valley. After several meetings between the officials of the two countries, the modalities for cross-LoC travel³ were finalized on February 16, 2005. The Srinagar-Muzaffarabad bus service was inaugurated on 7 April 2005 and the Poonch-Rawalakote route was opened for travel in June 20, 2006. Speaking in the Parliament, the then Minister of External Affairs, Pranab Mukherjee said, “(T)he expansion of people-to-people contacts, including through trade and commerce will provide an effective platform to develop and strengthen bilateral relations”⁴.

Later, the Foreign Ministers of India and Pakistan met on May 21, 2008 to discuss new and existing Kashmir-specific CBMs, and agreed to increase the frequency of Srinagar- Muzaffarabad and Poonch-Rawalakote Bus service and allow intra-Kashmir trade

and truck services. On July 18, 2008, the India-Pakistan Joint Working Group on cross-LoC CBMs met in Islamabad to simplify the procedure for issuing cross-LoC travel permits; to increase the frequency of the Srinagar-Muzaffarabad bus service; to launch a postal service between the two cities; and to expedite the cases of inadvertent crossings of the LoC; and discussed the list of items to be allowed for trade through the truck service. A triple-entry permit for cross-LoC travel was approved. This facility was to be made particularly lenient for the senior citizens. The announcement in this regard was made on July 21, 2008, when the Foreign Secretaries of the two countries met in New Delhi. India's Foreign Secretary Shiv Shankar Menon said, "The Chambers of Commerce are to meet very soon to discuss cross-LoC trade and to finalize arrangements"⁵.



Waiting to Cross the LoC, Poonch

Later on September 22, 2008, the modalities regarding the movement of trucks, code of conduct for the drivers, permits, security, timings and list of items to be traded were agreed upon between Pakistan and India to conduct cross-LoC trade (refer to Appendix-I). Following this, cross-LoC trade on the Srinagar-Muzaffarabad and Poonch–Rawalakote routes commenced from October 21, 2008. Twenty-one items were identified for duty-free passage from each side.

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With the aim of evaluating the progress made on these CBMs and their impact on Jammu and Kashmir as well as India-Pakistan relations, a three-week field study was conducted in Jammu and Kashmir from September 21-October 10, 2009. The field study was supported by the Institute for Defence Studies and Analyses (IDSA).

It is important to note that given the difficult terrain in Leh, as also in areas close to the LoC in the other two regions, i.e., the Valley and Jammu, the opening of the routes is a major infrastructural challenge. The Border Roads Organisation (BRO) must be complimented for the roads they have already laid down for connecting the three regions of the state and other ongoing projects to increase intra-state communication. However, much remains to be done. The opening of the LoC demonstrates remarkable political will on the part the leadership of the two countries and attests to their efforts in overcoming the impediments. The support of the mainstream political parties in Jammu and Kashmir as well as the separatist leaders to the process is noteworthy.

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Research Methodology

To conduct research on cross-LoC people-to-people contact and trade, an extensive field trip was undertaken to all the three regions of the state of Jammu and Kashmir with the aim of getting regional perspectives on

- i. Regional and sub-regional perspectives on the cross-LoC contacts,
- ii. Problems and prospects of cross-LoC trade,
- iii. the impact of people-to-people contact and
- iv. to seek the opinion of the people on a few other proposed routes that are under consideration by the two governments.

This field study also enabled a critical understanding of the issues associated with the efforts aimed at creating soft-borders

In each of these three regions, namely, Ladakh, the Valley and Jammu, visits were also organized to the LoC crossing points. Interaction with a wide cross-section of the people took place which included traders, officers in-charge of facilitating the weekly trade and travel of people across the two designated points on the LoC and people who are traveling for the first time or returning as well as officers in-charge of providing security to this process. An analysis of the inputs from these interactions revealed interesting regional and sub-regional perspectives on the selective opening of these routes. This field study also enabled a critical understanding of the issues associated with the efforts aimed at creating soft-borders. Important insights were gained into the processes involved in the conduct of trade and travel across what is perhaps one of the most heavily guarded boundaries.

To understand the issue both in the historical and present political context, this research has relied on secondary as well as primary sources. A large number of books and journals have been consulted for this purpose. This report has relied mainly on field research and information from secondary sources.

Cross-LoC Travel and Trade: The Process

The people crossing the LoC from either side are given permission on a document called Entry Permit. The travel at present is restricted to the relatives residing on both the sides of the LoC. People interested in visiting have to apply with relevant documents to their respective governments. After due verification, an Entry Permit is issued to the people to travel. The process of getting an Entry Permit issued takes approximately 6 to 18 months. People are allowed to stay for 28 days and can be given



Indian Trucks Waiting to Cross

15 days' extension. They can travel only within the state of Jammu and Kashmir.

Trade across the LoC is restricted to 21 items. These are the products produced on both sides of the LoC. Trucks with valid papers are allowed to enter. The process is computerized and single-entry permits known as Truck Entry Permits are issued in triplicate by the respective Trade Facilitation Officers (TFOs). The drivers are given entry permission after a thorough checking of their background. The permits contain a photo ID of the driver, his name, address, license number and details of the vehicle. It also specifies that there is no contraband or dangerous material in the vehicle or in the consignment. The drivers of these trucks are made to wear bright yellow and pink jackets/vests with "Driver-Chakoti/Rawalakote" and "Driver Salamabad/Chakandabagh" respectively inscribed on the back. They are permitted till the designated points where they offload their trucks. The same drivers are not allowed frequently⁶. Once the trucks enter, they have to return the same day after offloading.



Drivers in Uniform

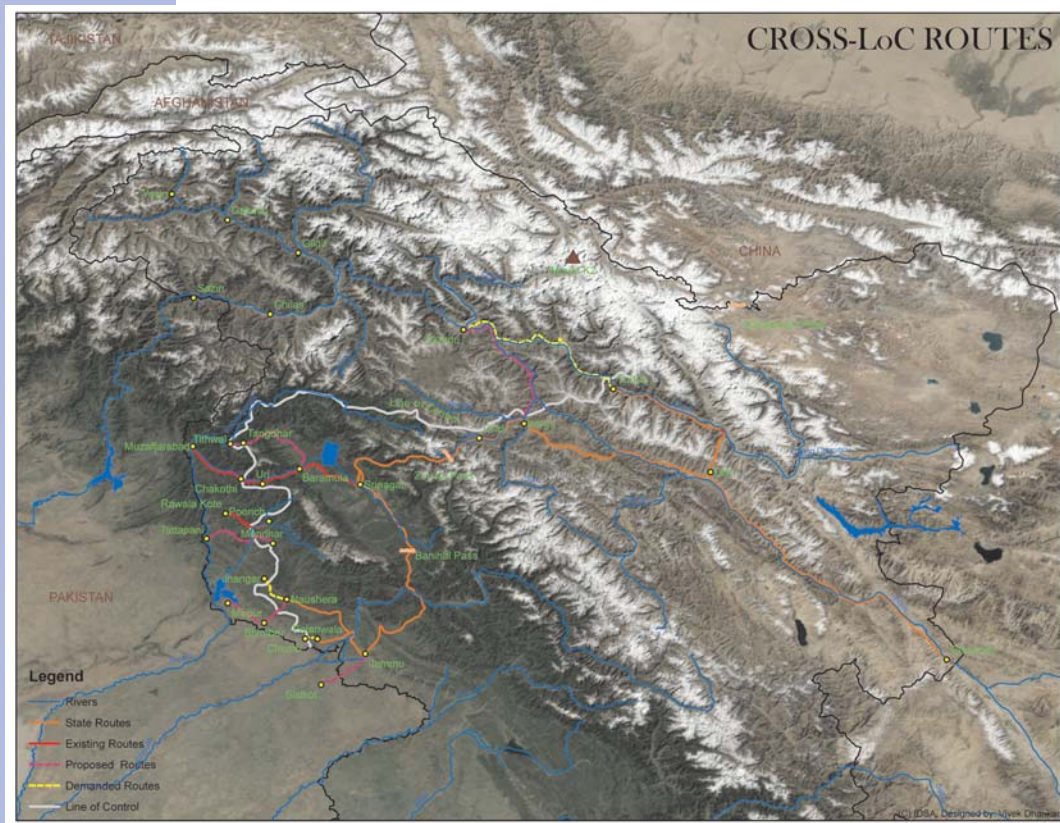
The trucks are allowed to carry a capacity of 1-1.5 tonnes. The cargoes are sealed by the TFO. The signatures and seals of the TFOs are exchanged by both sides. The cargo has to clearly indicate the items being carried, the particulars of the consignor(s) and the consignee(s) and the packing list with marks and numbers, which has to accompany the consignment. A copy of the invoice raised by the exporter has to be carried and both these documents are to be attested and sealed by the TFO.

The two countries have taken appropriate security steps to facilitate cross-LoC trade⁷. Keeping the security concerns in mind, the truck movements are allowed on Tuesdays and Wednesdays, both on the Srinagar-Muzaffarabad and the Poonch-Rawalakote routes, between 0900 hrs and 1600 hrs. In case of *Force Majeure*, the TFOs would get in touch with each other and resolve the matter as the situation demands, on the spot. As per the modalities finalized by the two countries, there would be a regular review of the flow of trade, a list of items and the modalities on a quarterly basis by the TFOs. However, the first review is to be carried on by the Working Group on Cross-LoC CBMs, and on an annual basis thereafter. Travel across the LoC is allowed on the Srinagar-Muzaffarabad route on Mondays and on the Poonch-Rawalakote route on Thursdays.

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Perspectives from the State of Jammu and Kashmir

Views on the cross-LoC contacts are from the three regions of the state, namely, Jammu, Kashmir and Ladakh. Each of these regions has a distinct cultural heritage, political identity and different expectation from the cross-LoC contacts. These perspectives are discussed in detail in the following sections.



Perspectives from the Kashmir Valley

The entire process involves close coordination between the administrative and security officials of the state government.

Leaders belonging to various political parties and the people in the Valley are supportive of the cross-LoC contacts and want these to be expanded further. The process of people-to-people contact, otherwise known as *Karvan-e-Aman* (Caravan of Peace) and trade takes place at a designated point – *Kaman Aman Setu* (Kaman Peace Bridge) in Uri. Elaborate interviews were conducted with the people crossing the LoC from both parts of Kashmir on designated days of the week. The entire process involves close coordination between the administrative and security officials of the state government. The army is present as an observer, and is believed to be playing a very supportive role in the process.

The process of registering people and checking their travel documents is done by the officials belonging to the Government of Jammu and Kashmir. The Bank of Jammu and Kashmir has opened a branch that facilitates exchange of currency. The TFO authenticates drivers and trucks that carry goods from across the LoC. The TFOs of both sides meet in the morning on the designated days and exchange lists of items, their quantity and number of trucks that would be crossing from either side. Each side brings to the notice of the other trade-related problems that might have arisen in the process. Once the meeting is over, the trucks are allowed to cross the LoC with goods. A similar procedure is adopted in the case of cross-LoC travel. The meeting between the officials of the two sides is conducted in the morning. Both the sides exchange lists of the people who would be crossing on the designated day. They include people who are traveling afresh and those who are returning.

People-to-People Contact

The *Karvan-e-Aman*, which brings together families from both sides of Kashmir every Thursday, is momentous for the divided families for the following reasons. This process enables families separated since 1947 to unite. Some of them have even traveled to visit family graves as they were not able to visit their near and dear ones when they were alive. This process has brought together parents divided from their children and united brothers and sisters after many years. It has generated enormous goodwill as people appreciate the mechanism that has been put in place for relatives from the two sides of the LoC to meet. However, so far, only those who are settled in Pakistan before the beginning of the insurgency in 1989 are allowed to visit their relatives on the entry permit issued. The period of stay is for 28 days, extendable by another 14 days. Interviews were conducted with first-time visitors from Pakistan and India, Indians returning from Pakistan, and Pakistanis returning from India to ascertain their views on cross-LoC travel.

It was observed that the visitors undertaking cross-LoC travel ranged from affluent to average low-income families. Therefore, their responses to the queries on comparative living conditions on both sides of LoC varied. Some said the standard of living in India was better; some said it was the same and yet others said that people across the LoC were more affluent. Most of them held that such travel generated emotional bonding amongst the people from both the sides.

Even members of the State Legislative Assembly like Engineer Rasheed felt that trade needed to be expanded and

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Bridge of Peace, Uri

that people-to-people contact needed to go beyond divided families. He opined that in addition to the opening of the two main routes for such an exercise, other older routes, such as the one from Tithwal, need to be revived, so that people living right next to the LoC do not have to take the trouble of traveling to Srinagar to take the designated routes, and this travel could be facilitated by the Army which is on the LoC.⁸ He also held that softening of the LoC will compel the separatists “to close their shops”.

The response of the separatist leadership to this process was largely positive as they hope to gain political mileage from this process. Both the Jammu Kashmir Liberation Front (JKLF) as well as the moderate faction of the All-Party Hurriyat Conference (APHC) led by Mirwaiz Umar Farooq endorsed the opening of the LoC.⁹ Both, however, feel that the trade must go beyond tokenism. Yasin Malik, a prominent leader of the JKLF, felt that people-to-people contact should be extended to all Kashmiris rather than limiting it to divided families.¹⁰ The General Secretary of the JKLF, Ghulam Rasool Dar (Eddie) claimed that the opening of LoC had strengthened the pro-freedom constituency in the Valley.¹¹ The Mirwaiz said this was a first step in the direction of economic independence, which was perhaps more important than political independence. Zaffar Akbar Bhat of the Jammu Kashmir Salvation Movement (JKSM) welcomed the transformation of the “*khooni lakeer*” (line of blood) to a line that unites people.¹²



Pakistani Truck with Goods

The Custodian who is the overall in-charge of the TFC is responsible for the registration of traders who are sending their goods and ensures that the items traded are part of the list.

Cross-LoC Trade

Trade in the Uri-Chakhoti sector takes place as per the Standard Operating Procedure (SOP). Goods received and sent conforms to the 21-item list that has been agreed upon by the two governments. To ensure that there is no breach in security during the process of trading, the registered drivers from both the sides are verified at the time of departure and arrival. The drivers are only allowed entry up to the respective Trade Facilitation Centres (TFCs) – Salamabad on the Indian side and Chakhoti on the Pakistani side – where the goods are loaded and offloaded. Once the goods are received, they are screened electronically at the Salamabad TFC warehouse. The Custodian who is the overall in-charge of the TFC is responsible for the registration of traders who are sending their goods and ensures that the items traded are part of the list.

It is interesting to note that more than 50 per cent of the trade taking place in this sector is between the relatives. Traders and officials on the Indian side admitted that several traders on the

other side are those who crossed over during the years of insurgency and were once involved in militancy and face charges in India. The opening of cross-LoC trade has given them the opportunity to lead a normal life. On February 13, 2010, Home Minister P. Chidambaram said that militants can return from the PoK. “This idea (amnesty) must now translate into reality. Now, we will have to discuss how to screen the boys, bring them home, debrief them, rehabilitate and reintegrate them into the mainstream”. It is important to note here that since this trade is based on a system of barter, people feel comfortable to trade with their relatives rather than with a faceless trader whom they have not met, as it involves risk. The trade is limited to traders from Baramulla who are organised as the Salamabad-Chakhoti Trader’s Union. Many of them are merely agents of traders from outside the state; yet they are in favour of goods coming from outside of the state of Jammu and Kashmir, as it is an additional source of income for them. As Mehbooba Mufti, leader of the People’s Democratic Party (PDP) suggested, “the process is important than the nitty-gritty involved. This will strengthen peace in the state.”¹³ Approximately 40 trucks from the Pakistani side and about 25 trucks from the Indian side go cross the LoC on the designated trading days. The difference in the number is due to the size of the trucks; the Indian trucks are bigger hence their number is less.

There are several difficulties in the process of conducting this duty-free trade. The TFO pointed to the need for better infrastructure at the TFC for storing of goods as these are not insured. ¹⁴ Also, the process of offloading and reloading for screening causes damage especially to fresh fruits whose value depreciates greatly. The traders felt there should be a bigger scanning machine which can scan the entire truck without offloading. Since this is mainly barter trade, the value of commodities exchanged is hard to determine and businessmen on both sides have difficulties in settling their accounts. Therefore, there is an urgent requirement for monetary trade.¹⁵ Also, limiting the trade to 21 items is seen as stifling the potential for trade in other items. There is also no opportunity for the traders to meet. Only traders from the Pakistan side can make a telephone call, whereas calls from the Indian side are barred due to security reasons.¹⁶ There is a fear that the barter system can be used to channel *hawala* funds to the militant outfits operating in the POK.

A meeting with the President and members of the Kashmir Chamber of Commerce and Industry (KCCI) revealed that while they were happy with the initiative of the government, they would like the traders to be registered with them so as to ensure

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that they are genuine traders; they would also like to increase the trade basket so that traders from Srinagar and the rest of the Valley could benefit more from the trade; and finally that the Pakistan government must reciprocate the Indian gesture of allowing the traders' delegation to visit POK twice.¹⁷ The KCCI officials were defensive about trade in products that were produced in other parts of the two countries outside the erstwhile state of Jammu and Kashmir. They were perceptibly apprehensive that attempts to limit this trade to goods produced in the erstwhile state of Jammu and Kashmir would hinder this trade. Infact, Mr Mubin Shah, former President of the KCCI felt that the trade could even be extended beyond Pakistan and that "Kashmir can emerge as a major transit point for trade with Iran and Central Asia."¹⁸

Perspectives from Jammu

The people living in this area mentioned that the route through Mendhar was used 2-3 times to facilitate cross-LoC travel but it was discontinued later for administrative reasons.



Rah-e-Aman, Poonch

For the first time in 2005, the LoC was opened to transport relief material following a devastating earthquake in PoK.

Trade in the Poonch-Rawalakote (Rah-e-Aman) sector takes place on Tuesdays and Wednesdays and travel across the LoC is allowed on Mondays. The SOP remains the same as that of the Salamabad-Chakhoti sector. Most people traveling from here or from the Pakistan occupied Kashmir (POK) complained that issuance of the travel permits took from 8 months to 3 years as they need the clearance from the Home Ministries of the respective governments. Interestingly, those returning from a visit to Pakistan said that they felt 'at home' once they returned.

Sometimes Sufi saints also travel with entry permits as they have followers on both sides of the LoC. It was also interesting to meet a *pir baba* who had returned from a visit across the LoC. Many of them are greatly revered among the Gujjar and Pahari people across the LoC in the Jammu region. The people living in this area mentioned that the route through Mendhar was used 2-3 times to facilitate cross-LoC travel but it was discontinued later for administrative reasons.

People-to-People Contact

For the first time in 2005, the LoC was opened to transport relief material following a devastating earthquake in POK. The bed of the Poonch river was used to reach Kanchaman point near Chakan da Bagh to transport relief material. This route was opened for people-to-people contact on November 21, 2005 and continued till June 20, 2006, when the Poonch-Rawalakote road became operational.

There were Hindu families which crossed the LoC to meet their relatives. Around sixteen Hindus crossed on October 5, 2009. The distance from Poonch to Rawalakote is 47 kilometres, out of

which 10 kilometres run through India and the remaining 37 kilometres through the POK.

Compared to the Uri sector, more people use the Poonch-Rawalakote sector. This is due to the fact that two-thirds of Poonch is occupied by Pakistan. The regional passport officers meet on the zero line and exchange the list of the people who would be crossing the LoC from both the sides. Separate lists of fresh visitors and returnees are exchanged. Sometimes returnees as well as those travelling for the first time are sent separately and sometimes they are made to travel together.

Most of the interviewees asked for improvement of facilities for travel. They wanted the government to allow private cars at least till the LoC so that they could leave early. Usually, they were asked to wait for hours till all the passengers completed formal procedures related to customs clearance and immigration. The Bank allows people to exchange Pakistani currency upto only Rs 5000-10,000 into Indian currency. Since the exchange rate is more on the Indian side, some of the people traveling to India got their Pakistan currency converted to Indian currency in Pakistan itself. In Uri, people are allowed to carry US Dollars of limited value.

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Cross-LoC Trade

As in the Uri sector, a meeting takes place at the zero line where the officials from the two parts meet. The Custodian, TFO, custom officials from India and the Assistant Commissioner (who acts as Customs officer), are present for this meeting. The Pakistani officials confirmed that the process was completely managed by the government of 'Azad' Kashmir (part of POK) and officials from Islamabad were not involved.¹⁹ Their security agencies oversaw the process.

The documents that are submitted to the Pakistani side and vice-versa, are:

1. cargo manifest duly certified
2. truck entry permits of the vehicle
3. plant health certification
4. security certificate
5. invoices

Trade in this sector mainly involves 57 traders from Poonch, some from the Valley, and some from Delhi and Amritsar, who operate through their agents. Unlike the Traders' Union in the Valley, there is no such union in the Poonch-Rawalakote sector. The traders are not permitted to travel to either side to survey the



Trade Facilitation Centre, Chakan da Bagh

The traders are not permitted to travel to either side to survey the goods to determine the quality and price before placing orders.

... there had been some attempts to smuggle unauthorized SIM cards.

Around 170 traders have applied for permission to trade in the Poonch sector.



Scanning Machine for Goods

goods to determine the quality and price before placing orders. Sometimes it is difficult to determine the quality and variety of the products available on the other side. This affects the trading process.²⁰ It is also interesting to note that the number of trucks taking goods across has gradually declined during the first year from 30-35 to 15-20 since there are limited facilities on the Pakistani side for storage of goods. Also, unlike in the Salamabad-Chakhoti sector, the traders from both sides meet once in three months on the LoC, and the TFO facilitates this interaction. The traders use this meeting to settle their accounts and order their products.

Interaction with the Custodian and traders at the Chakan-da-Bagh TFC revealed that their requirements and demands were similar to those of their counterparts at Salamabad. In addition, a meeting with the official who issues the Plant Health Certificate (PHC) for goods sent or received revealed that most of the testing is done by sampling and there is a lack of adequate infrastructure for proper testing of plants and herbs. It is also difficult to ensure that these herbs are not among the goods that are banned in India.²¹ Security officials mentioned that there had been some attempts to smuggle unauthorized SIM cards, but the stringent security checks in place have prevented misuse of the process of trade. Around 170 traders have applied for permission to trade in the Poonch sector.²²

Meeting with the office-bearers of the Jammu Chamber of Commerce and Industry (JCCI) provided certain insights into the demands of the traders of Jammu that had been submitted to the Government.²³ Since traders from Jammu are not benefiting from the current 21-item list, they want the list to be expanded to include manufactured goods that could be marketed at lower prices across the LoC.²⁴ More importantly they felt that other historical routes closer to Jammu must be opened to economize on the cost of transport. These are: the Nowshera-Jhangar route, the Palanwala-Cham route and the Suchetgarh-Sialkot route. A visit to the Jammu-Sialkot border buttressed their point since the distance from the border to Sialkot is only 11 kilometres and the road is in good condition. However, this trade will not qualify as cross-LoC trade between the divided state of J&K, as Sialkot lies in the Punjab province of Pakistan. Some survey of this border for trade has already taken place and it seems this route is under consideration by the two governments.

In Jammu, interaction with representatives of a Track-II delegation from POK brought forth the similarity of the requirements and demands of traders on both sides in terms of improving communication, provision of banking facilities,

increasing the trade basket, and even exploring opportunities for investment in joint projects. The President of Federation of Jammu and Kashmir Chamber of Commerce and Industry (a body composed of Chambers of Commerce and Industry from both parts of Jammu and Kashmir), Mr Zulfiqar Abbasi from PoK, said that, “trade is just the beginning. There can be more opportunities to cooperate on the issues of joint investment, [and] jointly developing hydro-power industries.”²⁵

Perspectives from Ladakh

People in the two districts of Ladakh, namely, Kargil and Leh, have different perspectives on the cross-LoC contacts. They feel that they are not direct beneficiaries of the current process as only those routes have been opened that facilitate trade and travel for the people living in the Valley and Jammu. While welcoming the cross-LoC interactions in the other regions of the state, they lamented that their longstanding demand to open various other historical routes in the Ladakh region has not been taken seriously either by the politicians in the state or by the central government. Their demand for cross-LoC contacts emanates mainly from their religious and cultural affinities with those living in the Gilgit-Baltistan region of Pakistan. It needs to be noted that at present the Gilgit-Baltistan region is not associated with this cross-LoC trade and people-to-people contact, although they are part of the former princely state of Jammu and Kashmir.

In Kargil, a cross section of people were interviewed: the MLA from Zanskar, the Chief Councillor of the Kargil Hill Development Council (KHDC), a Block Development Officer, police officers, an elderly Balti writer, prominent political activists, and an engineer-turned historian who owns a museum of goods and artifacts pertaining to the ancient silk-trade that took place via Kargil. In addition, interaction with the common people helped ascertain their views on people-to-people contact and trade routes. Interviews conducted revealed that people were in favour of the opening of the Kargil-Skardu and were aware that the Pakistani Government was hesitant in opening the route. Some also complained that since Jammu and the Valley were politically more important, the Indian government took more interest in the opening of routes in those regions.

Some interviewees in Kargil expressed their apprehension that Leh was not in favour of opening of the Kargil-Skardu route as this would lead to competition in trade and would increase the influence of Muslims from across the LoC. There was also some apprehension among the Purki-speaking community in Kargil that the opening of the route may lead to disputes over land that

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*Keeping an Eye
Pakistani Security Officials
Chakhoti, POK*

... there had been no support for separatism in Shia-dominated Kargil

The closing of these routes, it was suggested by some, had in fact led to increased Kashmiri influence over Kargil since the shortest road connecting Kargil to the rest of the country is via Srinagar.

they are settled in for several decades. It could be reclaimed by their relatives who had migrated in 1947 and are living on the other side of the LoC.

Those interviewed cited several reasons for opening of the Kargil-Skardu route. First, some felt that while trade per se may not be profitable for them, the route would connect the Balti families of Ladakh with their relatives in Skardu, and the revival of the Balti culture.²⁶ Secondly, they also emphasized that the people of Leh would benefit from the opening of Skardu route as it would also enable them to export their woodwork and handicrafts²⁷. Also this would revive Kargil's historical prominence as an important point of transit trade extending all the way up to Iran. As Shias constitute a majority in Kargil, the emphasis was on linking Kargil through Skardu further to Iran. It could also make travel for Haj by road much easier. Finally, the opening of this all-weather route would help reduce the high cost of living during winters as food and vegetables could be brought there more easily.

Many of the interviewees emphasized that there were important security considerations related to the opening of this route in the aftermath of the Kargil war. However, they sought to allay the security concerns by arguing that there had been no support for separatism in Shia-dominated Kargil, nor had there been any infiltration through this sector. They buttressed their argument by underscoring the whole-hearted support of the people of the area to the Indian Army during the Kargil war. They were convinced that the opening of the route would not affect India's security adversely²⁸. They suggested that security measures taken up at the other two LoC crossings could be put in place in Kargil too to address the concerns of national security. In fact, since Kargil is located at the interstices of Tajikistan, Afghanistan and China, they stressed the need for improving its connectivity not only with Skardu, but also with the rest of the state by all-weather roads such as construction of a tunnel at Zojila Pass and airways²⁹. The closing of these routes, it was suggested by some, had in fact led to increased Kashmiri influence over Kargil since the shortest road connecting Kargil to the rest of the country is via Srinagar.

In Leh, interviews were conducted with a cross-section of people including the officials of Ladakh Autonomous Hill Development Council (LAHDC), Ladakh Buddhist Association (LBA) and leaders of Shia and Sunni communities, especially those belonging to Anjuman-e-Imamiya and Anjuman Moinul Islam Organisation respectively. Writers, lawyers, politicians, the Secretary of the Congress Party in Leh and common people from all communities were interviewed. Contrary to the fears

expressed in Kargil, that people in Leh were opposed to the opening of Kargil-Skardu route. Councillors of the LAHDC and the political activists of the Shia and Sunni community completely endorsed the opening of the route. They were keen, however, that a route in Turtuk that connects it to Skardu also needs to be opened since there are many divided families in that sector. The Turtuk region was reintegrated with India after the 1971 war. Since the families were separated overnight, there was a strong feeling that their cause was more genuine as compared to that of the people in the Valley. In addition to this, the distance to Skardu is much shorter from Turtuk than from Kargil.

Interaction with an old man from Chaksi village in Skardu was a moving experience. He had travelled on a visa up to Leh, and was awaiting permission to visit his village in Turtuk. The requirement of an 'inner line permit', which is applicable to all Indians, was preventing his travel to his native village. Some interviewees however raised their concerns regarding the Sunni population in Turtuk which harboured a pro-separatist sentiment. They gave instances of their involvement in arms smuggling across the LoC and indicated that opening of this route could have serious security implications. In Leh, there is also widespread support for the opening of the Demchok route that would connect Leh with Tibet.³⁰ The officials and other interviewees are however aware of the Chinese reservations on this matter.

If the decision to open the Kargil-Skardu route is taken, only a stretch of about two kilometres needed to be built through the mountainous terrain to connect with the road on the Pakistan side. However, the overall condition of the roads in and around Kargil is bad and requires considerable improvement. Connecting Turtuk to Skardu is easier, since it only requires one bridge across the river Shyok for allowing trade and travel across the LoC.

Interaction with the people from Leh and Kargil also revealed an interesting sub-regional dynamic. There is overt competition between the two sub-regions to get more political attention from the centre.³¹ However, surprisingly, in both districts, there is little expectation from the state government in this regard. The competition between these two districts is akin to the competition for influence and resources between Jammu and the Valley.

The families were separated overnight, there was a strong feeling that their cause was more genuine as compared to that of the people in the Valley.

In both districts (Leh and Kargil), there is little expectation from the state government in this regard.

Conclusion and Policy Suggestions

It would perhaps help if the export list is expanded differentially in each sector to include goods in which the regions enjoy a comparative advantage.

The Government of India should insist that the people of Gilgit and Baltistan are allowed to benefit from the two operational cross-LoC routes as they were part of the erstwhile princely state of Jammu and Kashmir.

It is likely that people benefiting from this process would not support violence as it would disrupt the entire process.

- Despite the limited nature of trade, people in general and the political leaders of all shades in the three regions of the state regard it as a positive gesture with a lot of scope for improvement. Those who are benefiting from the trade want it to be regularised and those who are not want the trade list expanded and more routes opened so that they can benefit from it. There are two separate lists for the items to be imported and exported for both the sectors. It would perhaps help if the export list is expanded differentially in each sector to include goods in which the regions enjoy a comparative advantage. Similarly, the import list could be expanded based on the demands of each of the regions.
- The people-to-people contact appears to be a greater success for two reasons. Firstly, it has removed the mental barrier of being divided. Secondly, on both sides, people are meeting their relatives after several years and this meeting of divided families has served the humanitarian objective of reducing human suffering caused by separation. This process should not therefore be conditional upon the ‘final resolution’ of the Kashmir issue. The Government of India should insist that the people of Gilgit and Baltistan are allowed to benefit from the two operational cross-LoC routes as they were part of the erstwhile princely state of Jammu and Kashmir.
- Both the CBMs, namely trade and people-to-people contact, have also served an unintended purpose. It has demystified the realities on both sides of the LoC. It has exploded the myth about “bad India” and “good Pakistan” and has made Pakistani propaganda untenable. People in the state hope that it will ultimately bring down the levels of militancy. It is likely that people benefiting from this process would not support violence as it would disrupt the entire process.
- Since traders from Ladakh are not participating in the trade from either of the two sectors, it would perhaps be useful to open the Kargil-Skardu route. This would also help in bringing together families who share the same (Balti) culture.
- Very stringent security measures are in place to ensure that the opening of LoC does not compromise India’s security. Given the nature of the threat India faces from terrorist elements from across the border, such measures are necessary and should be in place at least in the short term.

Given the benefits accruing from the softening of LoC, perhaps the alternate historical routes should also be opened after due consultation with those responsible for ensuring security and peace in the state.

- Both the measures are also being viewed positively by the separatist leadership. This could perhaps serve as the beginning of a convergence between them and New Delhi.

For India, the benefits of the cross-LoC CBMs clearly outweigh the costs. There is no doubt that they have impacted positively on the manner in which the people in the Valley or even those Muslim-majority regions of Jammu think about India. For people who have been separated by the securitized frontier for several decades, these appear as small steps, albeit in the right direction. Given the history and nature of the Kashmir issue, even allowing people and goods across the LoC is being regarded by the people in the state as a giant step forward in the right direction. While inaugurating the Amritsar-Lahore bus service on March 24, 2006 Prime Minister Dr Manmohan Singh said, “The journey of peace must be based on a step by step approach, but the road must be travelled”. The journey has just begun. Improving on existing mechanisms and increasing opportunities for more cross-LoC contacts should yield even better results over the long term.

Given the history and nature of the Kashmir issue, even allowing people and goods across the LoC is being regarded by the people in the state as a giant step forward in the right direction.

Appendix-I

The modalities regarding the movement of trucks, the code of conduct for the drivers, permits, security, timings and list of items to be traded were agreed between Pakistan and India for conduct of cross-LoC trade on September 22, 2008. Details of these modalities are provided below:

Movement of Trucks

Trucks would be allowed to go to a designated point.

A system of computerized single entry permits known as Truck Entry Permits would be issued in triplicate by the respective Trade Facilitation Officers. The permits would contain a photo ID of the driver, his name, address, license number and details of the vehicle. The permit will specify that there is no contraband or dangerous material in the vehicle or in the consignment.

The drivers of these trucks would wear bright yellow and pink jackets/vests with “Driver-Chakoti/Rawalakote and Driver Salamabad/Chakandabagh” respectively inscribed on the back.

Permits etc.

The permit would allow the driver to enter and exit after unloading/loading the cargo.

Trucks of carrying capacity of 1-1.5 tonnes would ply.

Cargoes would be sealed by the Trade Facilitation Officer.

The signatures and seals of the Trade Facilitation Officers would be exchanged by both sides.

Cargo manifests indicating the items being carried, the particulars of consignor(s) and consignee(s) and packing list with marks and numbers, would accompany the consignment. A copy of the invoice raised by the exporter would also be carried. Both these documents would be attested and sealed by the Trade Facilitation Officer.

Security and Timings

- i. Appropriate security arrangements would be made.
- ii. Truck movements shall be between 0900 hrs and 1600 hrs.
- iii. Truck movements would be on Tuesdays and Wednesdays both on the Srinagar-Muzaffarabad and the Poonch-Rawalakote routes.
- iv. In case of *Force Majeure*, the Trade Facilitation Officers would get in touch with each other and resolve the matter as the situation demanded, on the spot.

Review

The flow of trade, list of items and the modalities would be reviewed every quarter by the Trade Facilitation Officers. The first review would be conducted by the Working Group on Cross-LoC CBMs, and thereafter, annually.

Source: Ministry of Foreign Affairs, Pakistan

Appendix-II

Lists of Items to be Traded

Table 1: Items to be Traded across the LoC

S.No.	From J & K	From POK
1.	Carpets	Rice
2.	Rugs	Jahnamaz and Tusbies
3.	Wall Hangings	Precious Stones
4.	Shawls and Stoles	Gabbas
5.	Namdas	Namdas
6.	Gabbas	Peshawari leather chappals
7.	Embroidered items including crewel	Medicinal Herbs
8.	Furniture including walnut furniture	Maize and maize products
9.	Wooden handicrafts	Fresh fruits and vegetables
10.	Fresh Fruits and vegetables	Dry fruits including walnuts
11.	Dry fruits including walnuts	Honey
12.	Saffron	Moongi
13.	Aromatic plants	Imli
14.	Fruit bearing plants	Black Mushroom
15.	Dhania, Moongi, Imli and Black Mushrooms	Furniture including walnut furniture
16.	Kashmiri spices	Wooden handicrafts
17.	Rajmah	Carpets and rugs
18.	Honey	Wall hangings
19.	Paper Mache products	Embroidered items
20.	Spring, Rubberised Coir/Foam Mattresses, cushions, pillows and quilts	Foam mattresses, cushions and pillows
21.	Medicinal Herbs	Shawls and stoles

Source: Standard Operating Procedure (SOP) for Cross-LoC Trade. Items that could be sent across are listed in Annexure 'A' and items that could be received from across the LoC are listed in Annexure 'B' of the SOP.

Appendix-III

Table 2: Cross LoC Trade, October 21, 2008 to September 21, 2009

Route	Month/Year	Export (in lakhs INR)	Import (in lakhs Pak Rs)
Poonch-Rawalakote	October 21, 2008*	-	-
	September 21, 2009	144	462
Uri-Chakhoti	October 21, 2008	13.37	25
	September 21, 2009	329.64	757.37

Source: Data from Trade Facilitation Officers at Poonch and Uri

* According to newspaper reports, the total trade in March 2009 was approximately Rs 6.6 lakhs INR.

Appendix-IV

Table 3: Cross-LoC People-to-People Contact, September 2008-July 2009

Route	Total	From-To	First-Timers
Poonch-Rawalakote**	1214	P-291R-314	P-143R-382
Srinagar-Muzaffara-bad***	291	S-35M-210	S-24M-218

** Abbreviated as P and R respectively

*** Abbreviated as S and M respectively

Source: Figures are based on newspaper reports collated by authors. Numbers do not tally exactly as some data was not available.

Appendix-V

AGREED OUTCOMES OF THE MEETING OF INDIA-PAKISTAN WORKING GROUP ON CROSS LoC CBMs HELD ON 18TH JULY 2008 IN ISLAMABAD

- Triple entry permits will be introduced with effect from 1st October 2008. A separate form for this purpose has been agreed upon. All three entries are to be made from the same crossing point. This facility will be automatically available to senior citizens and accompanying spouses.
- Regional Passport Officer, Jammu and Deputy Commissioner Rawalakot would be the respective designated authorities for the Poonch – Rawalakot bus service with effect from 1st October 2008.
- Monthly coordination meetings between the designated authorities will be held, with the provision to convene urgent meetings whenever required.
- Crossings will stand enhanced to 60 persons per crossing.
- Steps to be taken to reduce processing time for applications on both sides.

- The operation of the Tithwal-Chiliana crossing point will be effective from May to November of every year, in view of the accessibility problems in the winter.
- Crossing on Uri-Hajipir will be facilitated.
- The Designated Authorities will start exchanging application forms by e-mail from 1st October 2008. E-mail transfer will be backed up by hard copies.
- In cases of emergencies (death of close relatives across LoC), clearances to be processed within a week. Stay in such cases will be for up to 7 days. This will be effective from 1st October 2008.
- Frequency of Srinagar - Muzaffarabad and Poonch - Rawalakot bus services will be increased from fortnightly to weekly with effect from 21st August 2008 and 25th August 2008 respectively.
- Designated Authorities will reconcile data regarding crossings regularly.

Cross – LoC Trade

- List of commodities to be trade with zero tariff regime were exchanged. To begin implementation, each side will indicate the items that they are willing to receive.
- The visit of Chambers of Commerce from both sides of LoC will take place as early as possible to make recommendations on modalities of trade.

Source: Ministry of External Affairs, India

Endnotes

- ¹ The two foreign secretaries agreed to discuss 'all outstanding issues of concern including, inter alia: (a) Peace and security, including CBMs, (b) Jammu and Kashmir, (c) Siachen, (d) Wullar Barrage Project / Tulbul Navigation Project, (e) Sir Creek, (f) Terrorism and drug-trafficking, (g) Economic and Commercial Cooperation (h) Promotion of friendly exchanges in various fields, It was decided that the first two issues would be dealt with at the level of Foreign Secretaries who will also coordinate and monitor the progress of work of all the working groups.
- ² The details of the press briefing by then Foreign Secretary Shyam Sharan can be accessed at: <http://meaindia.nic.in/pressbriefing/2004/12/28mi01.htm>
- ³ Travel will be by an entry permit system, once identities are verified. Application forms for travel will be available with designated authorities in Srinagar and Muzaffarabad. See the India-Pakistan Joint Statement dated February 16, 2005 available at <http://www.mea.gov.in/>, accessed on January 15, 2010.
- ⁴ Unstarred Question no 748, Lok Sabha debates, October 22, 2008, available at www.mea.gov.in
- ⁵ For details see the press briefing by the Indian Foreign Secretary Shiv Shankar Menon available at <http://meaindia.nic.in/pressbriefing/2008/07/21pb02.htm>.
- ⁶ Interview with Mr. Nissar Ahmed, Chief Security Officer, Salamabad, September 29, 2009, Salamabad.
- ⁷ The security arrangement as per the SOP includes verification of truck entry permit at Kaman, verification of seal, escorting trucks to Salamabad, rummaging of truck, keeping guard over truck drivers. For the trucks going from Salamabad to Chakoti the arrangements include: issue of truck entry permit after verification of the antecedents of the driver, checking of empty trucks from security and contraband angle and issue of certificate there of attaching with cargo manifest, escort of trucks up to Kaman, maintaining database of drivers and support staff of the vehicles engaged in the movements of goods. Similar arrangements are prescribed for the security clearance on the Poonch-Rawalakote route.
- ⁸ Interview held on January 12, 2010 in New Delhi.
- ⁹ Interview held on October 5, 2009 in Srinagar.
- ¹⁰ Interview held on January 11, 2010 in New Delhi.

- 11 Interview held October 3, 2009 in Srinagar.
- 12 Interview held on October 5, 2009 in Srinagar.
- 13 Interview held on January 15, 2010, New Delhi.
- 14 Interview with the Trade Facilitation Officer in Uri, September 28, 2009
- 15 This opinion was expressed by TFO as well as businessman involved in the cross-LoC trade.
- 16 Interview with traders in Uri.
- 17 Interview with Mr.Nazir Ahmad Dar, President of Kashmir Chamber of Commerce and Industries, October 2, 2009, Srinagar.
- 18 Interview held on October 2, 2009.
- 19 In a meeting with a official from Muzaffarabad. Interview held on the LoC at Poonch in October 6, 2009.
- 20 Interview with traders in Poonch, October 6-7, 2009.
- 21 Interview with Dr. Umesh Kumar, entrusted with providing plant health certification .Interview held on October 6, 2009, Poonch.
- 22 Interview with the TFO, October 6, 2009.
- 23 Interviews with the Officer bearers of Jammu Chamber of Commerce and Industries, October 8, 2009, Jammu.
- 24 Interviews with the traders in October 6-7, in Poonch
- 25 Interview with Mr Zulfiqar Abbasi, President of Federation of Jammu and Kashmir Chamber of Commerce and Industries, Muzzafarabad in Pakistan Occupied Kashmir. Interview held on October 9, 2009 in Jammu.
- 26 Interview with Mr. Feroz Khan, MLA from Zanskar, September 23, 2009, Kargil.
- 27 There is another road along the Indus valley which will benefit the people in Leh to connect with Skardu. This road will also reduce the distance between Skardu and Leh by three hours. Further, the refugees of Nubra valley living in Leh and Skardu will benefit from this road. Interview with Senge H Sering of Gilgit-Baltistan, on Febuary 2, 2010 at New Delhi.
- 28 Interviews conducted in Kargil, September 22-23, 2009. Also see Ravina Aggarwal, “Beyond Line of Control”, (Calcutta, Seagull, 2007), p.52.
- 29 Interview with Mr. A. A. K. Kacho, Chairman and Chief Executive Councillor of Kargil Hill Development Council, September 23, 2009.
- 30 Interview with Mr. Chering Dorjay, Chairman and Chief Executive Councillor of the Ladakh Autonomous Hill Development Council, September 26, 2009, Leh.
- 31 For details see Ladakh Buddhist Association, “Why Union Territory for Ladakh?” (memorandum to Members of Parliament), p.1.