



Background Paper

Pakistan-India Relations

The Revived Dialogue and the Future Prospects

August 2012



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PILdAT
Pakistan Institute of
Legislative Development
And Transparency

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Abbreviations and Acronyms

ANP	Awami National Party
BSF	Border Security Force
CBMs	Confidence Building Measurements
FATA	Federally Administrated Tribal Areas
FICCI	Federation of Indian Chambers of Commerce and Industry
ISI	Inter-Services Intelligence
JD	Jamaat-ud-Dawa
Let	Lashkar-e-Tayyba
LoC	Line of Control
MFN	Most Favoured Nation
MNA	Member of National Assembly
MP	Member of Parliament
MQM	Muttahida Quami Movement
NATO	North Atlantic Treaty Organization
PML	Pakistan Muslim League-Nawaz
SAARC	South Asian Association for Regional Cooperation
SAFF	South Asia Football Federation
UN	Union Nations
WTO	World Trade Organization

Foreword

Pakistan-India Relations: The Revived Dialogue and the Future Prospects is a background paper authored by **Dr. Hasan-Askari Rizvi**, renowned scholar of Pakistan, for the 4th Round of the India-Pakistan Parliamentarians Dialogue, facilitated by PILDAT.

This paper highlights the brief history of the dialogue process between Pakistan and India, latest Dialogue and its dynamics and challenges as well as the issues of immediate and mid to long term concern that need focus by both the countries.

As an independent think-tank, PILDAT believes that while diplomatic channels for Dialogue must continue, Parliamentarians from both countries should be facilitated on both sides for a greater interaction and developing a better understanding for resolving issues that lead diplomatic initiatives. It is for this objective that PILDAT has been facilitating Parliamentarians Dialogues between Pakistan and India.

Disclaimer

The views, opinions, findings and conclusions or recommendations expressed in this paper are those of the author and do not necessarily reflect the views of PILDAT.

Islamabad
August 2012

About the Author



Dr. Hasan-Askari Rizvi is an independent Political and Defence Analyst. He was Quaid-i-Azam Professor of Pakistan Studies at SIPA, Columbia University, New York, Allama Iqbal Professor at the South Asia Institute, Heidelberg University, Heidelberg, Germany, and a Visiting Professor with the South Asia Programme of the School of Advanced International Studies (SAIS), Johns Hopkins University, Washington, D.C. He was also a Visiting Scholar at the University of Illinois, Urbana-Champaign, and Cooperative Monitoring Centre, Sandia National Laboratories, Albuquerque, NM. He was on the Faculty of Political Science Department, University of the Punjab, Lahore, where he also served as Professor and Chairman of the department. Currently he is Professor Emeritus.

Dr. Hasan-Askari Rizvi obtained MA and PhD in Political Science and International Relations from the University of Pennsylvania, Philadelphia, USA, and M. Phil. in Politics from the University of Leeds, UK.

A prolific writer, Dr. Askari is the author of many internationally-acclaimed books which include "Military, State and Society in Pakistan," (Macmillan-Palgrave Press, New York and London, 2000); "Pakistan and the Geo Strategic Environment," (Macmillan-Palgrave, New York, London, 1993); "The Military and Politics in Pakistan," (Several editions/reprints since 1976, latest reprint 2009 by Sangemeel, Lahore) and "Internal Strife and External Intervention," (Lahore: 1981). He also writes for national and international journals and newspapers and regularly appears on national and international media as analyst.

He is also a recipient of the Presidential Award "Sitara-i-Imtiaz" in 2010.

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Pakistan-India Relations: The Revived Dialogue and the Future Prospects

There is a growing realisation in India and Pakistan that they need to work towards improving their bilateral relations and draw on the advantages of cooperative interaction. This calls for invoking dialogue for addressing the contentious issues in a spirit of resolving the problems through mutually acceptable solutions.

India and Pakistan do not need a dialogue for passing time or for showing to the international community that they are talking on their bilateral problems. ***The dialogue must aim at conflict management and resolution in a spirit of accommodation.*** If the two sides are not willing to show any flexibility on their traditional positions the dialogue is not likely to resolve the problems. It is therefore important that the highest authorities in both countries direct their officials participating in the dialogue to seek workable and mutually acceptable solutions.

The Challenge of the Dialogue

A solution oriented dialogue on the contentious issues is a challenging task because of the long history of the troubled relations and mutual distrust that hampers positive interaction.

What generates optimism is the fact that Indian and Pakistanis are not born with hostility and negative attitude towards each other. They have been socialised into these negative dispositions. These are cultivated ways of looking at bilateral relations.

These cultivated negative views and attitudes are the psychological barriers in the way of improving and normalising their relations. These negative attitudes are integral to domestic politics in both countries. There are groups and political parties in both countries that pursue hostility towards the other country as a matter of political ideology. These are religious hardliners and the political far-right groups and individuals that are ideologically opposed to normalisation of relations and flourish on preaching hostility, if not hatred against the other side.

At times, the governments of two countries may not feel confident enough to challenge their narrow world view and they quietly go along with their perspective because of internal political considerations. It may not be politically prudent for a government to challenge them at a particular

point of time and thus their hostile disposition is either adopted by the government or it lets the hostile narrative dominate the political discourse. If the domestic environment is hostile and a government is not willing to confront this kind of disposition, the dialogue between India and Pakistan is likely to be stalled or it may continue without producing any results.

These are not insurmountable challenges to pursuing result-oriented dialogue. A conscious and gradual approach is needed to remove the layers of negative disposition among the people, especially the political class and socialise them into a positive disposition. It is going to be a slow process and it may take time but the change of attitude is possible.

A two-step approach is needed to de-socialise negativeness among the people and socialise them towards viewing each other in a positive manner and supporting a dialogue on the contentious issues.

1. First, the top level state leaders who are responsible for making the final decision decide that negative attitude and conflict is to be downplayed and efforts are to be made earnestly to find ways and means to improve their relations.

If the top leaders issue clear instructions to their officials for pursuing a result oriented dialogue, some of the problems can be resolved quickly.

It is the lack of categorical political will at the top level for resolving specific problems that the dialogue does not produce concrete results.

The officials are given a limited mandate or a mandate only for continuing talks. The officials engage in hair splitting of the problems and prefer to postpone rather than resolve the problems.

However, this is better than the breakdown of the talks which has instant negative impact on the already strained relationship.

2. Second, there is a need to improve non-official interaction in order to remove the biases that are generated because of limited or no contact.

The free and frequent interaction between different segments of the society will build support for problem solving between the two countries. The visits of

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sports teams, especially Cricket teams, literature and creative arts including film artists and music groups, media, youths and students and non-governmental organisations will be very useful for generating good will at the societal level.

Dialogue and interactions between public representatives of the two countries such as Parliamentarians Dialogues are also essential. Public representatives can both influence public opinion for peace as well as hold elected executive to account in both countries on how to move forward towards peace.

There is a linguistic and cultural overlap between Pakistan and north India that needs to be built on to promote better understanding at the common person level.

The focus has to be on commonalities and shared interests rather than on differences.

Such a shift in the emphasis is always a conscious policy adopted by the respective governments.

The media needs to be used to generate positive sentiments rather than using it for negative propaganda and preaching of conflict and hatred.

The intellectuals and societal leaders need to recognise that in the present-day world cooperation among the states of a region, especially the neighbouring states, holds the key to socio-economic development.

The inability of India and Pakistan to evolve a positive working relationship has negative implications for regional cooperation in South Asia. These are the two principal countries of South Asia and if they do not cooperate the prospects of socio-economic development, the whole region are undermined. The South Asian Association for Regional Cooperation (SAARC), is a hostage to India-Pakistan conflict. The long years of non-cooperation and conflict between India and Pakistan do not merely adversely affect their own socio-economic development but the socio-economic development of other countries of the region is also slowed down as a result.

There is a need to emphasise that ***India and Pakistan can learn from each other's experience in governance, socio-economic development and how to cope with poverty and violence.*** Both countries face so many socio-

economic challenges that they should cooperate with each other to address these challenges and improve the quality of life for the ordinary people.

These strategies can help the people and especially the policy makers to discard their traditional biases and adopt positive approach towards the other side. This will also increase support at the common person level in both countries for promoting dialogue for conflict resolution.

The Latest Dialogue Process

The latest phase of the dialogue between India and Pakistan began when the Interior/Home Secretaries of Pakistan and India met in New Delhi on March 28-29, 2011. They agreed among other things to establish "terror hotline" between Islamabad and Delhi for communicating quickly on terrorists threats.

A day later, March 30, Pakistan's Prime Minister Syed Yusuf Raza Gillani travelled to Mohali on the invitation of India's Prime Minister Dr. Manmohan Singh to watch the semi final of the Cricket World Cup between India and Pakistan. They had useful exchange of view on that occasions and it was clear after the visit that the stage was now set for another round of dialogue between the two countries.

There have been several rounds of talks at different levels during March 2011-August 2012 and there appears to be much relaxation of tension between the two countries.

During this period both sides have made unprecedented progress in trade and economic interaction. If these trends continue Pakistan and India trade will have a lot of expansion in 2013.

However, two trends are noteworthy:

1. First, the efforts to normalise trade by 2013 have slowed down after April 2012.
2. Second, all dialogues during this period ended with positive note but there has not been any progress towards problems solving. All the contentious issues stand where these were before the dialogue resumed in March 2011. All contentious issues, therefore, remain stalemated.

One positive aspect of the latest dialogue is that the leadership on both sides appears optimistic about the

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outcome of the dialogue process. Even when they criticise some aspect of each other's policy, a lot of caution is used in the selection of words.

Commenting on the beginning of the new dialogue process India's Prime Minister Dr. Manmohan Singh said on March 4, 2011 that *"we will enter these talks with [an] open mind. We wish to resolve all outstanding issues between two countries through friendly dialogues and purposeful negotiations. And this includes the issue of Jammu and Kashmir."*

He made another important statement on April 17, 2011: *"If I can succeed in normalising relations between India and Pakistan as they should prevail between two normal states, I would consider my job well-done."*

Pakistan's leadership has been equally enthusiastic about the resumption of the talks and their desire to solve the problems through dialogue. They were of the opinion that India should not have suspended the dialogue after the terrorist attack in Mumbai on November 26, 2008. Pakistan was delighted as India returned to the dialogue table in 2011. Prime Minister Syed Yusuf Raza Gillani welcomed the statements of India's Prime Minister and expressed his government's desire to seek the resolution of the problems through peaceful negotiations.

India's Foreign Minister Mr. S. M. Krishna said in August 2011 that India wants *"constructive"* relations with Pakistan and India's desire is to *"reduce the trust deficit and move forward in a friendly manner."* Pakistan's Foreign Minister Hina Rabbani Khar said in her address to the UN General Assembly in September 2011 that Pakistan wanted an *"uninterrupted and uninterruptable"* dialogue with India.

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Brief History of the Dialogue Process

The current dialogue between India and Pakistan since March 2011 can be traced back to January 6, 2004 when India's Prime Minister Atal Behari Vajpayee and Pakistan's President General Pervez Musharraf met on the sidelines of the 12th SAARC Summit Conference in Islamabad and signed a declaration for initiation of the dialogue on all contentious issues.

This brought an end to the stalemate between the two countries caused by the terrorist attack on the Indian Parliament on December 13, 2001, and India's decision to suspend all interaction with Pakistan and mobilised its troops to the Pakistan border by the beginning of January 2002 because India held Pakistan based extremist Islamic groups responsible for the attack.

For the next ten months it was an eyeball-to-eyeball situation between their armed forces on the Pakistan-India border. In October 2002, India decided to withdraw its troops gradually. Pakistan responded positively to this statement. Some signs of thaw between the two countries began to surface from April 2003 when India's Prime Minister Atal Bihari Vajpayee hinted at starting the dialogue with Pakistan. India and Pakistan moved slowly and cautiously to upgraded diplomatic interaction by exchange of ambassadors and restored traveling facilities between the two countries.

On November 26, 2003, India and Pakistan agreed to observe cease-fire on the Line of Control in Kashmir. It is noteworthy that the ceasefire started on November 2003 continues to hold even today, although there have been some minor incidents of exchange of fire on the LoC. The local commanders settled such incidents, providing a proof of restraint on both sides.

On December 18, 2003, President Pervez Musharraf declared a clear flexibility in Pakistan's stand on Kashmir when he argued that Pakistan would be willing to explore the solution of Kashmir by keeping the UN resolutions aside. Later, Prime Minister Vajpayee declared that all problems, including Kashmir, could be discussed. These developments set the stage for Vajpayee's visit to Islamabad for the 12th SAARC summit conference and the signing of the above mentioned declaration on January 6, 2004.

The dialogue process launched in January 2004 focused on 8 issue areas, originally identified in the 1997 meeting

of the foreign secretaries of India and Pakistan.

Four rounds of dialogues were completed between January 2004 and November 2008 with two short interruptions.

This contributed to improving relations between India and Pakistan. Societal interaction between the two countries also improved because the visa rules were somewhat relaxed. Important progress was made on the contentious issues like the Siachen Glacier, Sir Creek boundary, terrorism and the Kashmir problem. Bus service and trade across the Line of Control in Kashmir were initiated in 2005 and 2008 respectively.

India suspended the dialogue soon after the terrorist attacks in Mumbai on November 26, 2008. It accused the Pakistan based militant organisation, the Lashkar-e-Tayyba (LeT) and its counterpart Jamaat-ud-Dawa (JD) of masterminding the attack. It also blamed Pakistan's Inter-Services Intelligence (ISI) for sponsoring the LeT attack in Mumbai. India's official and non-official circles explored the option of some punitive military action against Pakistan. This option was later dropped.

India maintained that it would not re-open the dialogue with Pakistan unless Pakistan fully satisfied India on terrorism threats from Pakistan. It made two categorical demands:

1. One, the government of Pakistan must arrest the LeT/JD leaders named by India as being responsible for the terrorist attacks in Mumbai and that Pakistani courts must convict them on the basis of the evidence provided by India. Hafiz Muhammad Saeed, chief of JD, was specifically named for tough punitive judicial action.
2. Two, Pakistan must contain the ISI from sponsoring terrorism against India because, in their view, it had guided the LeT to launch the attack in Mumbai.

In response to Indian demand, Pakistan arrested 7 LeT/JD leaders in December 2008. One of them, Hafiz Muhammad Saeed, was released by the court. Other six have been in prison since then. Their case is proceeding at very slow pace because the evidence provided by India is insufficient and weak. It cannot be admissible in Pakistani court unless certain requirements are fulfilled and the defence lawyers have an opportunity to cross examine the witness and evidence collected by Indian authorities.

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After long wrangling, India allowed a Pakistani Judicial Commission to visit India in 2012 to collect evidence on the case. The commission was given a limited opportunity in India and its findings were turned down by the court dealing with the case in Pakistan. The issue has become more complex with the arrest and public evidence of an Indian, Abu Jandul, who is said to closely connect with the attack, working with the LeT.

The absence of cooperation between India and Pakistan may make it difficult to convict the 6 leaders of the LeT. Even if this happens, the appeal will take time.

Pakistan has attempted to build counter pressure by demanding information on the investigation about the bomb explosion in the Samjhota Express (India-Pakistan train service) in February 2007. Most of the passengers killed in this incident were Pakistani returning from India.

It seems that the terrorism issues will continue to haunt India-Pakistan relations for a long time unless they develop mutual trust and cooperate with each other to control terrorism in the region rather than engaging in a blame game on this issue.

The suspension of the dialogue process after the terrorist attacks in Mumbai was regretted by Pakistan whose leadership argued that the dialogue process should not be made hostage to the activities of terrorist groups.

India showed some flexibility in its position in the meeting between the Prime Ministers of India and Pakistan on the sidelines of the 16th SAARC summit conference at Thimpu, Bhutan, in April 2010. India's Prime Minister did not insist that Pakistan must satisfy India on terrorism as a precondition for resumption of talks. The two Prime Ministers agreed to revive the dialogue without preconditions.

However, this decision was implemented slowly. It was in February 2011 that the Foreign Secretaries of India and Pakistan reiterated their support to the initiation of the dialogue process on the sidelines of the SAARC meeting in February 2011.

The breakthrough came when the Interior/Home Secretaries of Pakistan and India held a meeting in New Delhi on March 28-29, 2011 and, on March 30, 2011 Pakistan's Prime Minister visited Mohali, near Chandigarh, on the invitation of India's Prime Minister, to watch the Cricket World Cup semi-final between India and Pakistan.

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Dynamics of the Dialogue Process

The resumption of the dialogue process in March 2011 was welcomed at the official and non-official levels because the expectation was that this would defuse tension between the two countries and make it possible to cultivate normal neighbourly relations.

This sounded like a tall order in view of the troubled track record of their bilateral relations. However, as the desire for improved India-Pakistan relations is now more widely shared in two countries, they had to be supportive of the dialogue and optimistic about its outcome.

There have been several rounds of talks between Pakistan and India between March 2011 and August 2012. The most significant development was the visit of Pakistan's Foreign Minister to Delhi in July 2011.

The Joint statement issued at the end of the meeting between two Foreign Ministers emphasised: *"They affirmed the importance of carrying forward the dialogue process with a view to resolving peacefully all outstanding issues through constructive and result-oriented engagement, and to establish friendly, cooperative and good neighbourly relations between Pakistan and India."*

Other important engagements included the meeting between the Prime Ministers of India and Pakistan on the sidelines of the SAARC summit conference at Addu, Maldives, in November 2011 and four trade and commerce related visits:

- i. Pakistan's Commerce Minister's visit to Mumbai and Delhi in September-October 2011
- ii. Return visit of India's Commerce Minister to Lahore, Islamabad and Karachi in February 2012;
- iii. Visit of Pakistan business delegation to Delhi and exhibition of Pakistan textile and other products in Delhi in April 2012; and the
- iv. Pakistan-India Economic Conference in Lahore on May 7-8, 2012.

Pakistan's Commerce Minister, Makhdoom Amin Fahim visited Mumbai and Delhi in September-October 2011 with a delegation of 70 Pakistani business and industrial leaders who interacted with their Indian counterparts, especially the Federation of Indian Chambers of Commerce and Industry (FICCI). They discussed the Pakistani complaint of India's non-tariff barriers like complex custom clearance

procedures, quality control procedures, bureaucratic permissions and visa and traveling facilities. India also agreed to withdraw its objection in the WTO on an extraordinary tariff reduction by the European Union for Pakistani products.

MFN Status for India

On November 2, 2011, Pakistan's Federal Cabinet granted the status of the "Most Favoured Nation" (MFN) to India. However, a day later the spokesman of Pakistan Foreign Office somewhat back-tracked by suggesting that the Federal Cabinet had agreed *"in principle"* to designate India as a MFN as a part of the process to normalise relations with India. It will be finally given once consultations within different departments of Pakistan government are complete and the matters involve this status are settled with India. While delaying the final announcement the Government of Pakistan assured India that there would be no going back on the MFN status.

Pakistan intends to replace the 'positive' list of 1,958 items that could be imported from India to a smaller 'negative' list of the product that could not be imported from India. Pakistan expects that with the passage of time this negative list will be removed altogether and anything could be imported from India.

It may be pointed out that India designated Pakistan as MFN in 1996 but no concrete action was taken to implement this for trade between the two countries.

In mid-February 2012, India's Commerce Minister Anand Sharma visited Lahore, Islamabad and Karachi along with around 150 top Indian business and industrial leaders. Three agreements were signed on February 15 regarding Customs Cooperation, Mutual Recognition and Redressal of Trade Grievances to lay the groundwork for active trade relationship. An exhibition of Indian products was also held in Lahore and Karachi. Indian business people visiting Pakistan were very enthusiastic about trade and economic relations between the two countries.

Pakistan's Commerce Minister Makhdoom Amin Fahim undertook second visit to Delhi with a group of Pakistani business people on April 11, 2012 and exhibition of Pakistani textile and other products was held in New Delhi (April 12-15, 2012).

Pakistan-India Economic Conference at Lahore (May 7-8,

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2012) was organised under the “*Aman Ki Asha*” programme sponsored by the Times of India and the Jang Group of Pakistan. This conference was attended by top business people from India and Pakistan and leading political leaders of Pakistan who explored different ways to expand trade and economic relations between the two countries.

Other Talks on Trade and Economic Relations

Other important trade and economic ties related meetings were:

- i. Visit of a delegation of the Lahore Chamber of Commerce and Industry to Delhi to participate in a seminar on economic cooperation in South Asia (January 21, 2012 onwards);
- ii. Pakistan's Federal Minister for Petroleum Dr. Asim Hussain in Delhi for talks on energy related issues (January 25-26, 2012);
- iii. Delegation of Indian officials held meetings in Lahore and Karachi with Pakistani business people to appraise them of India's custom procedures, regulations, standards and certification requirement of foreign goods entering India (January 25-28, 2012);
- iv. Pakistan's Petroleum Secretary in New Delhi for participation in 7th Asian Gas Conference and met his Indian counterpart (March 26-27, 2012);
- v. India-Pakistan talks at Islamabad on Pakistan's Petroleum requirements (May 28-29, 2012); and
- vi. Pakistani delegation comprising officials from ministries of Trade, Foreign Affairs and Petroleum and Natural Resources in New Delhi for talks on import of petroleum products from India (July 11-13, 2012).
- vii. A new integrated Check Post at Attari-Wagah border as well as a new gate for trade at Wagah was inaugurated on April 13, 2012.

Though trade and economic relations dominated the dialogue process initiated in March 2011, there were several diplomatic visits that facilitated trade related talks but also contributed to the overall improvement of relations.

President Asif Ali Zardari undertook a non-official visit to the Shrine in Ajmar on April 8, 2012. On his way, his delegation stopped in Delhi for lunch and meeting with Indian Prime Minister Dr. Manmohan Singh.

India's Lok Sabha Speaker Meira Kumar headed a Parliamentary Delegation to Pakistan (February 21-25, 2012). The following 8 visits in 2012 reflected growing diplomatic interaction between Pakistan and India:

1. 8 member Pakistani Judicial Commission, headed by Chaudhry Zulfikar Ali, Chief Prosecutor, FIA, visited New Delhi and Mumbai to collect information on the Mumbai terrorist attacks, March 14-21, 2012.
2. The Secretary-level talks in New Delhi on Tulbul/Wuller navigation project, March 27-28, 2012.
3. Interior/Home Secretaries talks in Islamabad on relaxing restrictions on visas and easing travelling. They agreed on new facilities but no formal announcement was made, May 24-25, 2012.
4. The Defence Secretaries of India and Pakistan met in Islamabad for talks on the Siachen Glacier, June 10-12, 2012.
5. India-Pakistan talks in New Delhi for the determination of boundary in Sir Creek waterway, June 18-19, 2012.
6. A delegation of the Pakistan Rangers visited New Delhi for talks with the BSF for border related matters, July 1-6, 2012.
7. The Foreign Secretaries of India and Pakistan met in New Delhi to review the progress in the bilateral talks, July 3-6, 2012.
8. Pakistan-India Working Group met in Islamabad for expansion of Cross-Line of Control (LoC) trade and confidence building measures on the LoC in Kashmir, July 18-19, 2012.

In addition, delegations of the media, academicians, writers, lawyers, Boy-Scouts and Girl Guides and the Old Ravians undertook exchange visits in order to strengthen non-official society-to-society relations.

Three rounds of Pak-India Parliamentarians Dialogue were also held during this period: in Islamabad: January 06-07, 2011; in Delhi: August 17-18, 2011 and on January 17-18, 2012 in Islamabad. Senior Parliamentarians belonging to different political parties from Pakistan and India participated in these dialogues.

It is noteworthy that Kashmir did not figure in any formal talks, although the issue came up for discussion when the Foreign Ministers and foreign secretaries met as an item on the list of issues to be tackled. However, there was no specific session on ways and means to resolve this problem. The Working Group discussed CBMs on the LoC and how to improve cross-LoC trade.

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Parliamentarians Dialogues

Track-II and Track -III dialogues have been used in India and Pakistan going back to the late 1980s to promote societal dialogue on the contentious issue. This strategy is also used for building support for peaceful dialogue process.

The Pakistan Institute of Legislative Development and Transparency (www.pildat.org) took the initiative for organising joint Parliamentarians Dialogues between Pakistan and India.

PILDAT has been facilitating dialogues between Parliamentarians of Pakistan and India in order to enhance the role of Parliamentary Diplomacy in Pakistan's relations in the region and around the World.

To-date, PILDAT has facilitated 3 rounds of Dialogues: in Islamabad on January 06-07, 2011; in Delhi on August 17-18, 2011 and the latest Dialogue was held on January 17-18, 2012 in Islamabad. Brief overview of these Dialogues is as below:

1. **Pak-India Parliamentarians Dialogue-I:** The First Dialogue between Indian and Pakistani Parliamentarians took place on January 06-07, 2011 in Islamabad. Seven (7) Indian MPs and Eighteen (18) Pakistani MPs participated in the Dialogue.

Upon conclusion of the Dialogue, the Indian Parliamentary Delegation also met with Leadership of Pakistan Muslim League-Nawaz (PML-N) including **Mian Muhammad Nawaz Sharif**, Party Head, **Mian Shahbaz Sharif**, Chief Minister of the Punjab and **Ch. Nisar Ali Khan**, Opposition Leader in the National Assembly of Pakistan.

A Joint statement was also issued at the end of the dialogue by the two sides agreeing to the need to continue dialogue. *Appendix A* carries the Joint Statement.

2. **India-Pakistan Parliamentarians Dialogue-II:** The Second India-Pakistan Parliamentarians Dialogue was held on August 18-19, 2011 in New Delhi, India. Twenty (20) Pakistani MPs and twenty one (21) Indian MPs participated in the Dialogue.

MPs from both sides were in complete agreement that it is in the joint and respective interest of both

countries that peace, security and stability be established between the two countries.

A Joint Statement was issued at the end of the Dialogue. *Appendix A* carries the Joint Statement.

3. **Pak-India Parliamentarians Dialogue-III:** The Third Pak-India Parliamentarians Dialogue was held on January 17-18, 2012 in Islamabad.

Fifteen (15) Indian MPs and Fifty-two (52) Pakistan MPs participated in the Dialogue.

The Indian Delegation called-on Prime Minister of Pakistan **Syed Yusuf Raza Gilani** where the Delegation also met with **Makhdoom Amin Faheem**, MNA, Federal Minister for Commerce, **Ms. Hina Rabbani Khar**, MNA, Federal Minister for Foreign Affairs, as well as with several other Parliamentary Leaders including **Mr. Asfandiyar Wali Khan**, President, Awami National Party-ANP, **Dr. Muhammad Farooq Sattar**, Parliamentary Leader, MQM and **Mr. Munir Khan Orakzai**, Parliamentary Leader of the Independent MPs of FATA, etc.

The Indian Delegation has also visited Parliament of Pakistan and witnessed the proceedings of the Senate of Pakistan. Chairman Senate of Pakistan as well as key leaders of the Senate welcomed the delegates during the Senate session in the evening of January 17, 2012.

MPs of both sides at the dialogue interacted on broad theme of "*Trade and Economic Relations between India and Pakistan*".

A joint statement was issued at a press briefing at the end of the Dialogue. *Appendix A* carries the Joint Statement.

The 4th round of the Dialogue titled **India-Pakistan Parliamentarians Dialogue-IV** is scheduled to take place in Delhi, on August 23-24, 2012 and in Patna, Bihar, on August 25, 2012.

Improved Relations, No Problem Solving

The revived dialogue contributed to improving relations between India and Pakistan. Though India continued to insist on rapid trial of those LeT activists accused of involvement in the Mumbai terrorist attacks, its response was measured and cautious when bomb explosions in Mumbai caused damage in July 2011 and a bomb exploded in the vicinity of the New Delhi High Court in September 2011. The Indian Government neither accused Pakistan nor it suggested the suspension of the dialogue.

The major beneficiaries of the improved relations were the prisoners, especially fishermen, in each other's prisons. A good number of them were released and returned to their home countries by both sides.

There has been a toning down of propaganda against each other. Though new simplified procedures for visa and travelling have not so far been announced, more visas are being issued for travelling to the other side.

There is a lot of optimism that the year 2013 will witness greater trade activity between the two countries. Various chambers of commerce and industry in both countries are more enthusiastic than ever about expanding trade and economic relations.

Despite these positive developments, no contentious issue between India and Pakistan has moved towards solution. These problems continue to stand where these were when the dialogue started in March 2011. These problems have to be addressed with the objective of evolving mutually acceptable solutions.

Issues of Immediate Concern

The future of India-Pakistan relations depends to a great extent on paying earnest attention to the following issues:

1. **Societal Interaction:** The highest priority should be given to improving societal interaction. This calls for liberalising the visa regime so that the people do not face serious problems in obtaining visa to travel to the other country. Both countries can encourage group tourism that should include sight-seeing and visits to religious places. The divided families should be given visa on a priority basis. There is a need to encourage strengthening non-official societal linkages.

The movement of people and goods was relatively easy before the 1965 Indo-Pakistan war. The people could easily travel to the other side. A regular exchange of movies, magazines and newspapers was possible. Bilateral trade was a less complex affair. All this was disrupted by the 1965 war. ***Our target should be to restore the pre-1965 relationship between the two countries.***

Sports and cultural exchanges will help to strengthen societal level relations. Of late there have been some sports-related exchanges: Pakistan's Kabaddi team participated in the Kabaddi World Cup in Chandigarh (November 2011); India's Blind Cricket Team toured Pakistan (November 2011); two Indian wrestlers participated in wrestling matches in Gujranwala, Lahore and Faisalabad (November 2011); Pakistan's National Football Team participated in South Asia Football Federation (SAFF) Championship in Delhi (December 2011); and Delhi Lions Rugby Club Team played with the Lahore Rams Rugby Team in Lahore (January 2012). More sports exchanges should be encouraged. The most effective method to strengthen societal ties is to revive cricket matches between the two countries.

The regular visits of Parliamentarians, the media people and non-governmental organisations devoted to societal development should be facilitated. This will generate a lot of goodwill on both sides and strengthen societal linkages.

A small number of Pakistanis visit India for medical treatment. This practice should be regularised so that the people desiring to seek medical treatment in India do not face visa and travel problems.

Newspapers and magazines should be freely exchanged between India and Pakistan. The existing system of book import from the other country should be streamlined. TV News channels broadcast of both countries should also be allowed.

2. **Academic and Research Exchanges:** Currently, academic and research related exchanges take place on a very limited scale. A cumbersome process enables a citizen of one country to participate in an academic conference and meeting in the other country. It is a difficult exercise to get a research visa to research and study in the other country. A faculty exchange programme between the leading

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universities should be established.

The college and university students should be encouraged to visit the other side so that their biases about the other side are reduced, if not eliminated. They should get a direct opportunity to experience the other country rather than reading about it in the text and other books that often present a distorted image of the other side.

Greater academic exchanges are important because a South Asia University has been functioning at a small scale in Delhi since September 2010. Pakistani students and academicians will not be able to have access to this university if the visa regime is not liberalised.

3. **Return of Prisoners:** Pakistan and India should evolve regular mechanisms for repatriating the citizens of one country lodged in prisons of the other country for one reason or another. There are several categories of prisoners: fishermen arrested for entering the territorial waters of the other country; overstay of the visa limit; involvement in some crime or violation of law; inadvertent crossing of border and violation of immigration rules. In many cases, a person is not released after the completion of his sentence because his home country has not verified his citizenship.

A Judicial Committee has been working since 2007 for dealing with the problems of fishermen. India and Pakistan need to create permanent arrangement for return of all prisoners to their home country. It is a human problem that should be addressed in a manner that the plight of unfortunate people is reduced.

4. **Trade and Economic Relations:** There has been a lot of activity in this sector during 2011-2012 and there are positive signs that this effort will materialise in 2013 when restrictions on bilateral trade will be reduced to the minimum, if not removed altogether.

Trade between India and Pakistan has increased over the last couple of years but it constitutes an insignificant part of each country's international trade. Pakistan has agreed in November 2011 to grant the MFN status to India. Now, both India and Pakistan should work towards removing technical and procedural obstacles to their bilateral trade with the cooperation of their Chambers of Commerce and

Industry. This also calls for improvement of infrastructure, banking and communication facilities. The focus should be on the movement of goods and services that benefit the common people so that they realise that improved trade and economic relations serve their interests. This will also create interdependence between India and Pakistan.

5. **Countering Terrorism:** Terrorism has become the most cumbersome problem because there is a lack of trust between the two countries and they diverge on how to address terrorism. Further, they hardly cooperate with each other and do not share information on transnational terrorism.

India appears to be focussed on the culprits of the Mumbai terrorist attack, i.e. LeT/JD, and wants Pakistan to eliminate this organisation to demonstrate its commitment to countering terrorism.

Pakistan is faced with a complex terrorism problem that threatens its capacity to control all of its territory and assert primacy in the domestic context. For Pakistan, the Mumbai incident is one dimension of terrorism that afflicts Pakistan. There are numerous terrorist groups based in Pakistan that threaten Pakistan and operate beyond its territorial boundaries. With suicide bombings and terrorist attacks in all major cities of Pakistan and death of over 35 thousand Pakistanis in such incidents since 2001, a number of Pakistanis feel that India is overplaying the Mumbai terrorist attack to malign Pakistan.

Similarly, India has also got home-grown terrorist groups that have resorted to violence in the last couple of years. By focusing only on Pakistan based groups India's attention is shifted away from local violent groups. Pakistan draws Indian attention to the bombing of the Samjhota Express in February 2007 on which India has not so far provided the requisite information to Pakistan.

It is important that India and Pakistan cooperate with each other for coping with terrorism in the region. The trading of charges and counter-charges may give some mileage to each country in domestic politics but it will not be helpful to addressing the terrorism issues.

It is also important to underscore the realisation in Pakistan that it has to forge unity and achieve

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complete clarity of objective to fight the twin menace of extremism and terrorism. As the Chief of Army Staff of Pakistan Gen. Kayani noted in his August 14, 2012 address that Pakistan's war against extremism and terrorism is "our own war, and a just war too." He also went on to note that this war is that of the "whole nation" of Pakistan.

6. **The Siachen Glacier and Sir Creek Waterway:** Most political analysts think that these are solvable issues but these remain stalemated because the two governments want to extract maximum advantage in any deal. Consequently both issues have not moved beyond the position in 2007-2008. These are good examples of how the notion of state sovereignty and political ego of the military and civilian leaders can become an obstacle to a working solution.

India and Pakistan had agreed by 2007 to redeployment of Indian troops to the last demarcated point on the Line of Control in Kashmir, NJ9842, and its monitoring after the redeployment of the troops. The sticking point was India's insistence on the authentication of India's pre-redeployment troop position on the Siachen Glacier. Pakistan emphasised the troop position in 1972 as the criterion to decide about the new locations of the troops. It refused to authenticate the present troop position without reference to the fact that these positions were acquired by India after April 1984.

Two rounds of talks on the Siachen Glacier were held since the revival of the dialogue on May 30-31, 2011 (New Delhi) and June 10-12, 2012 (Islamabad). Both sessions were inconclusive as neither side was willing to show flexibility. Pakistan was keen about withdrawal of troops from the Siachen Glacier after the death of its 138 personnel in a landslide in the Gayari sector on April 7, 2012. However, the session in Islamabad in June could not produce an agreement on the modalities of withdrawal of the troops.

The stalemate is likely to persist as long the military and civilian leadership in both India and Pakistan do not realise the futility of stubbornness on this issue. Pakistani newspaper "Dawn" described the standoff in Siachen as a "pointless conflict" in an editorial on April 9, 2012.

On the Sir Creek boundary issue, the final survey was complete by 2007 but the Governments of India and

Pakistan have been unable to implement the survey result because of lack of agreement on the precise demarcation of the boundary in the waterway. The officials of India and Pakistan met twice on May 20-21, 2011 in Islamabad and on June 18-19, 2012 in New Delhi to agree on the demarcation of the boundary. They did not succeed and decided to meet again later.

The resolution of these problems will generate a lot of goodwill for each other in both countries. It will then be possible for them to address more difficult problems. The resolution of these problems will be a trend setter for resolving other problems.

7. **The Water Issue:** Pakistan is perturbed by India's decision to construct several new hydropower generation projects and water storages on rivers in Indian-administered Kashmir. As these rivers go into Pakistan there is a widespread concern in Pakistan that Indian projects may give India the capacity to store a large quantity of water or divert the rivers that will have negative implications for agriculture in Pakistan.

Pakistan experienced an acute shortage of water in the rivers flowing from Kashmir in 2010 that alarmed the Government and societal groups. The water issue is expected to become a more contentious issue in the future as the climatic changes are affecting the flow of water. If these trends like climatic changes and global warming continue, South Asia will suffer from water shortage that will adversely affect Pakistan-India relations.

Being a lower riparian state, Pakistan is perturbed by Indian plans to construct dams and hydroelectric projects on western rivers that have been allocated to Pakistan by the Indus Water Treaty, 1960.

Pakistani sources claim that 12 dams and power generation projects are under construction in Kashmir and about 155 such projects are in the planning stage. If all this is true, Pakistan is bound to worry because such projects can be used to store extra water, manipulate the flow of water into Pakistan and divert the river flow.

Currently major controversies pertain to the Wuller barrage or the Tulbul navigation project, Kishanganga

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hydroelectric project and the Nimoo Bazgo project. The Kishanganga project is before a Geneva based international arbitration court.

India and Pakistan should endeavour to address the river-water issues at the Indus Water Commission level or at the government level rather than going to international bodies. It is important to examine if the shortage of water for Pakistan is due to climatic changes or because of Indian power generation and water storage projects.

India and Pakistan should also explore the option of joint management of rivers for use of water for agriculture and power generation.

8. **Kashmir:** By 2007, India and Pakistan had worked out in principle a four-point framework of phased solution of the Kashmir problem. The framework for the solution of the Kashmir problems focused on four issues:

- i. Greater movement of people, goods and services across the Line of Control
- ii. Self-governance and autonomy for both parts of Kashmir
- iii. Troops withdrawal by India and Pakistan in a phased manner
- iv. Joint mechanism on selected issues across the Line of Control

They were working on its details keeping in view their political and security sensitivities when the dialogue process was halted.

Two bus services were started across the Line of Control in 2005 and 2006 and Intra-Kashmir barter trade began in October 2008 with the idea of encouraging greater interaction across the Line of Control.

India and Pakistan were able to show flexibility because they no longer insisted on monolithic and unshared sovereignty over Kashmir. This changed their non-negotiable posture and they developed definite idea for evolving a phased solution that emphasized a shared approach to sovereignty.

Now, in 2012, it is not clear if the two governments would take up the Kashmir problem where it was left in 2007 or they want to start afresh. Unless the two governments evolve a mutually acceptable solution of

Kashmir that is also acceptable to the people of Kashmir, this problem can subvert all efforts to strengthen peace and stability in the region.

9. **Afghanistan:** The U.S./NATO decision to withdraw its combat troops from Afghanistan by the end of 2014 has created the spectre of competition among the neighbouring states for influencing internal political dynamics of Afghanistan.

If a civil strife erupts in Afghanistan, the neighbouring states would compete for influence in Afghanistan. Further, as the civil strife in Afghanistan will spill-over to the bordering states these would not sit quiet. Pakistan and India are expected to compete with each other by cultivating some local groups and movements. Pakistan has an additional concern that India may use Afghanistan to aid and abet dissident movement in Balochistan.

Instead of engaging in a proxy war India and Pakistan should discuss Afghanistan in their high level official meetings. These issues should be part of the current India Pakistan dialogue.

The current dialogue process needs to focus on above issues with the objective of normalisation of bilateral relations in all sectors of state and society, building trust and confidence and resolution of the contentious issues. These efforts should be accompanied by confidence building measures in conventional and nuclear security domains and societal interaction.

It will take time to cope with the troubled legacy of 65 years and that all problems will not be resolved at the same time. Some issues and problems will be resolved quickly but others may take longer time. The political leadership must show determination to tackle these problems. Further, they should resolve that any terrorist incident will not be allowed to derail the dialogue process. It must continue without interruption and cover all issues and problems.

If India and Pakistan want to remove the stalemate on the Siachen Glacier, Sir Creek Waterway, river water and Kashmir they will have to shift the focus of their discourse from national identity and monolithic non-negotiable national sovereignty to the welfare and betterment of people.

Instead of monolithic sovereignty they will have to work on the notion of shared sovereignty and that the issues cannot

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be cast in black and white, i.e., success of Pakistan is the loss of India. If the criterion is the welfare and betterment of the people, India and Pakistan will find it easy to move away from the current rigid positions.

The use of the flexible and non-ideological strategy produced positive results on Kashmir during 2004-2007 as both sides moved towards an acceptable solution. Similarly, such a strategy will help to resolve other major contentious issues.

Time has come to review the overall framework of conducting domestic and foreign policies.

What the leaders and people of South Asia have to decide if they want to meet the challenge of the 21st Century by adopting an imaginative, out-of-box and bold disposition towards their bilateral problems.

The prospects of a better and assured future are linked with the capacity of the state system to resolve their bilateral problems. If they do not change they will be swept aside by the force of the global political and economic order.

Pakistan India Parliamentarians Dialogues

Joint Statements

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Appendix A**Joint Statement****Pakistan-India Parliamentarians Dialogue-I**

January 06-07, 2011; Islamabad, Pakistan

(Agreed to by the two Co-Chairs and Participants and released to the Media upon conclusion of the Dialogue)

The Pakistan-India Parliamentarians' Dialogue took place in Islamabad on January 06-07-2011. The Parliamentarians of the two countries held a constructive, candid and comprehensive dialogue while recognizing the importance of their role in removing the trust deficit in the areas that divide the two countries. This would be done by building on commonalities and the positives with a view to resuming the dialogue and promoting a peoples' movement for peace and reconciliation.

In order to do so they agreed on the need for a follow up mechanism, which could serve as a focal point and continue to provide support and assistance to the process.

It was agreed that the Presiding Officers of the Parliaments of the two countries would be briefed about the outcome of the Islamabad meeting and requested to advise on a follow up mechanism.

The Parliamentarians of the two countries who represent public interest will be able to suggest practical steps for promoting and sustaining the dialogue by addressing outstanding issues. The mechanism for facilitating the Dialogue is to ask PILDAT, and possibly, a similar body in India, to serve as coordinating agencies to help facilitate such a dialogue. The dialogue would reflect the interest of the people of Pakistan and India to benefit from enormous opportunities that could become available through mutual cooperation. The Parliamentarians guided by the principles of cooperative and good neighbourly relations would be able to address all issues of mutual concern and interest meaningfully.

Dialogue is also important for the two countries to achieve their potential. The Parliamentarians are in the best position to influence public opinion and media in terms of raising the awareness of the people of the two countries to the gains of peace so that they can look forward to a future of prosperity for the peoples of the two countries in the 21st century.

Senator S. M. Zafar from Pakistan and former Indian Minister for external affairs **Mr. Yashwat Sinha** from India co-chaired the Parliamentarians' Dialogue while **Senator Jan. M. Jamali**, Deputy Chairman Senate and **Mr. Faisal Karim Kundi**, MNA, Deputy Speaker National Assembly, formally opened the dialogue.

The Indian Parliamentarians who participated in the dialogue included **Mr. Mani Shankar Aiyar**, Member Rajya Sabha (Indian National Congress); **Mr. Vijay Darda**, Member Rajya Sabha (Indian National Congress); **Ms. Naznin Faruque**, Member Rajya Sabha (Indian National Congress); **Mr. Shatrughan Sinha**, Member Lok Sabha (Bharatiya Janata Party); **Mr. Assaduddin Owaisi**, Member Lok Sabha (All India Majlis-E-Ittehadul Muslimeen), and **Mr. Pradeep Majhi**, Member Lok Sabha (Indian National Congress).

Pakistani Parliamentarians who engaged in the Dialogue included **Senator Nayyar Hussain Bukhari**, Leader of the House in the Senate (PPPP), **Senator Waseem Sajjad**, Leader of the Opposition in the Senate (PML), **Senator Jahangir Badar** (PPPP), **Senator Salim Saifullah Khan**, Chairman Senate Foreign Affairs Committee (PML), **Senator Ilyas Bilour**, Chairman Senate Committee on Commerce (ANP), **Dr. Donya Aziz**, (PML), **Engr. Khurram Dastgir Khan**, Chairman National Assembly Committee on Commerce (PML-N), **Lt. Gen. (Retd.) Abdul Qadir Baloch** (PML-N), **Mr. Muhammad Baligh-ur-Rehman** (PML-N), **Shaikh Waqas Akram**, Chairman National Assembly Standing Committee on Petroleum (PML), **Senator Syeda Sugra Imam** (PPPP), **Ms. Fozia Ejaz Khan** (MQM), **Senator Zahid Khan**, (ANP); **Mr. Lal Chand**, MNA, (PPPP), and **Senator Saeeda Iqbal** (PPPP).

Former Foreign Ministers of Pakistan, **Mr. Khurshid Mahmud Kasuri** and **Mr. Sartaj Aziz**, along with former Federal Minister **Mr. Javed Jabbar** served as distinguished Observers at the Dialogue.

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Joint Statement

India-Pakistan Parliamentarians Dialogue-II

August 18-19, 2011; New Delhi, India

The Parliamentarians from India and Pakistan met in New Delhi on August 18-19, 2011 in their second round of the India-Pakistan Parliamentarians Dialogue. They were in complete agreement that it is in the joint and respective interest of both countries that peace, security and stability be established between the two countries.

To this end, Parliamentarians from Pakistan and India noted with considerable satisfaction that in the past seven months since the first session of the Parliamentarians Dialogue in Islamabad in January 2011, the intergovernmental dialogue has been resumed.

Noting further that Foreign Minister of Pakistan, Hina Rabbani Khar, stated at the end of the dialogue in New Delhi with her Indian counterpart, Indian External Affairs Minister, S. M. Krishna, that the dialogue between the two countries should be “un-interrupted and un-interruptible.” The Parliamentarians attending the second round of India-Pakistan Parliamentarians Dialogue requested the Indian and Pakistani Co Chairs of the Dialogue to suitably convey to their respective Governments the following suggestion for further consideration and action:

1. The Parliamentarians stress the imperative of consolidating the outcome of the Composite Dialogue, which has been taking place over the last 14 years in to further agreements and to continue forward in an uninterrupted and un-interruptible manner.
2. While recognizing that some progress has been made in the formal processes of the Dialogue, the Parliamentarians recognize that peace, security and development require the resolution of outstanding issues. It is of the highest importance that the progress made so far be consolidated by urgently addressing, through the dialogue, all outstanding issues including Jammu and Kashmir, Siachen and Sir Creek as also the challenge of terrorism in all its forms and manifestations including the follow-up of 26/11 Mumbai terrorist attacks.
3. As there are wide spread concerns in Pakistan about the persistence of water problems relating to the flow of water during sowing season and timely sharing of information in the Indus Basin, the Parliamentarians urge upon both Governments that such concerns be addressed within the framework of the Indus Waters Treaty 1960. The Treaty has stood the test of time. The Parliamentarians urged upon both the Governments that it be complied with in letter and spirit and the problems and the concerns in Pakistan be addressed to ensure the continuation of a cooperative joint approach to the resolution of these concerns.
4. The Parliamentarians agreed to discuss among themselves issues related to energy security, including the proposed Iran-Pakistan-India gas pipeline, and urge their Governments to do likewise.
5. Economic ties, related to both trade and investment, should be boosted through the easing or removal of restrictions and considerations of a preferential duty regime.
6. People to people contact were recognized as the single most important confidence building measure. In this regard following specific recommendations were made by Parliamentarians:
 - a. Implementation of agreements to open new transit routes across the Line of Control in Kashmir and at Khokhrapar-Monabao, as also commencing additional flights
 - b. Easing travel restrictions is of the utmost importance and visa regimes to be implemented keeping in perspective those extended to friendly countries. The Parliamentarians believed that early action should be taken bilaterally to introduce various categories such as “trusted visitors programmes” to include categories such as elected representatives, senior citizens, business persons, cultural and sports personalities, accredited journalists, former diplomats and various categories of students and researchers. Where feasible, multiple entry, 10-year, no-city restrictions and no police reporting should be urgently pursued.

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- c. In order to promote friendly exchanges, cultural events should be encouraged through the removal of remaining restrictions on music and cinema and the showing of television programmes should be allowed in both the countries beginning with entertainment channels.
 - d. To promote further friendly exchanges, it was also recommended that sporting contacts involving not only major but minor sports should be encouraged.
 - e. International roaming facility on mobile telephony should be available bilaterally. Pakistan and India should also be connected via optic fiber link.
 - f. A Parliamentary Committee on both sides should be set-up to undertake issues relating to prisoners and fishermen.
7. To lead dialogue deliberations to fruition, the participating Parliamentarians agreed that following steps should be taken in both countries:
- a. Transmission of the outcome of the dialogue to the Presiding Officers of the Parliaments in the two countries.
 - b. Participating Parliamentarians to brief Governments on two sides
 - c. Raising and resolution of relevant issues through the respective Houses and Standing Committees of both Parliaments
 - d. To promote constituency of Peace in the two countries, participating Parliamentarians, instead of highlighting differences and carrying on negative stereotypes of each other in the media, would focus on building bridges to move forward with dialogue, understanding and trust.
8. The Parliamentarians were of the view that the bilateral dialogue might also address matters of common regional concerns.
9. The Parliamentarians resolved to continue the Dialogue.

Senator Jan Mohammad Khan Jamali, Deputy Chairman Senate of Pakistan, and **Mr. Faisal Karim Kundi**, MNA, Deputy Speaker National Assembly of Pakistan, co-led the Pakistan delegation while seasoned MPs from Pakistan and India, **Senator S. M. Zafar** (Punjab, PML), former Federal Minister for Law, Pakistan and **Mr. Yashwant Sinha**, former Union Minister for External Affairs and Finance, India (Jharkhand, BJP) co-chaired the India-Pakistan Parliamentarians Dialogue - II.

The Pakistan delegation included **Senator Afrasiab Khattak** (Khyber Pakhtunkhwa, ANP), **Senator Jehangir Bader** (Punjab, PPPP), **Senator Humayun Khan Mandokhel** (Balochistan, Independent), **Senator Saeeda Iqbal** (ICT, PPPP); **Ms. Anusha Rehman**, MNA, (NA-288, Punjab-XVI, PML-N), **Dr. Ayatullah Durrani**, MNA, (NA-268, Kalat-cum-Mastung Haidri, Balochistan, PPPP), **Syed Haider Abbas Rizvi**, MNA (NA-253 Karachi-XV, Sindh, MQM), **Mr. Humayun Saifullah Khan**, MNA, (NA-27, Lakki Marwat, KP, PML), **Mr. Laiq Muhammad Khan**, MNA, (NA-21 Mansehra-II, KP JUI-F), **Engr. Khurram Dastgir Khan**, MNA, (NA-96, Gujranwala-II, Punjab, PML-N), **Mr. Nadeem Afzal Gondal**, MNA, (NA-64 Sargodha-I, Punjab, PPPP), **Ms. Nafisa Shah**, MNA, (NA-309, Sindh-II, PPPP), **Nawabzada Malik Amad Khan**, MNA, (NA-71, Mianwali-I, Punjab, PPPP), **Mr. Qamar Zaman Kaira**, MNA, (NA-106, Gujrat-III, Punjab, PPPP), **Sardar Awais Ahmad Khan Leghari**, MNA, (NA-172, D. G. Khan-II, Punjab, PML) and **Mr. Shahid Khaqan Abbasi**, MNA, (NA-50, Rawalpindi-I, Punjab, PML-N). **Mr. Iftikhar Ullah Babar**, Special Secretary, Senate of Pakistan and **Mr. Moosa Raza Effendi**, Additional Secretary, Public Accounts Committee, National Assembly of Pakistan also participated as observers in the Dialogue representing the Parliamentary Secretariats.

The Indian Parliamentary delegation that joined the Dialogue included **Mr. Mani Shankar Aiyar**, (Indian National Congress-INC); **Dr. Bhalchandra Mungekar** (INC); **Dr. E. M. Sudarsana Natchiappan**, (INC, Tamil Nadu); **Mr. Mohammed Adeb**, Independent, Uttar Pradesh, **Mr. N. K. Singh** (Janta Dal (United), Bihar); **Mr. Naresh Chandra Agrawal**, (Bahujan Samaj Party, Uttar Pradesh), **Mr. Naresh Gujral**, (Shiromani Akali Dal, Punjab), **Mr. Raashid Alvi**, (INC, Andhra Pradesh); **Mr. Rajniti Prasad**, (Rashtriya Janata Dal, Bihar); **Prof. Saif-ud-Din Soz**, (INC, Jammu & Kashmir); **Syed Azeez Pasha** (Communist Party of India, Andhra Pradesh); **Mr. Anurag Singh Thakur**, (BJP, Hamipur, Himachal Pradesh); **Mr. Asaduddin Owaisi**, (All India Majlis-E-Ittehadul Muslimeen, Hyderabad, Andhrapradesh) **Mr. Baijayant Jay Panda**, (Biju Janata Dal, Kendrapara, Orissa); **Mr. Kalikesh Narayan Singh Deo**, (Biju Janata Dal(BJD), Bolangir, Orissa), **Ms. Harsimrat Kaur Badal**, (Shiromani Akali Dal (SAD), Bathinda, Punjab), **Mr. Naveen Jindal** (INC, Kurukshetra, Haryana), **Dr. Shashi Tharoor**, (INC, Thiruvananthapuram, Kerala), **Mr. Shatrughan Prasad Sinha**, (BJP, Patna Sahib, Bihar), **Mr. Vijay Bahuguna**, (INC, Tehri Garhwal, Uttarakhand) and **Mr. Tathagata Satpathy**, (Biju Janata Dal, Orissa).

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Joint Statement

Pakistan-India Parliamentarians Dialogue - III

January 17-18, 2012; Islamabad, Pakistan

The Parliamentarians from Pakistan and India met in Islamabad on January 17-18, 2012 in their third round of the Pakistan-India Parliamentarians Dialogue. This Dialogue was held in the background of the previous two constructive Parliamentary Dialogues of January 2011 in Islamabad and August 2011 in New Delhi. The Parliamentarians from two sides recognised and appreciated the initiative of PILDAT to foster these dialogues and urged that this initiative deserved to be continued and reinforced.

The Parliamentarians recognized the significant progress made in the furtherance of trade and economic relations during the discussions between the Commerce Ministers of India and Pakistan from September 26 to October 11, 2011 and thereafter in the 6th round of commercial and economic cooperation dialogue between the Commerce Secretaries of India and Pakistan in November 2011.

Parliamentarians recognized that many broader issues of bilateral relationship between the two countries had been discussed during their first and second round of dialogues. They decided that this 3rd dialogue should be primarily devoted to trade and economic relations between the two countries.

In this context, the catalytic role of Parliamentarians to encourage policy makers to take all necessary measures for realizing what the Commerce Ministers had recognized, as “full normalization of commercial relationship between the two countries, to strengthen bilateral relationship and build the bridges of friendship, trust and understanding for the mutual benefit of their people and promotion of prosperity in South Asia,” was reiterated.

There was general agreement that strengthening of trade relations must be viewed in the wider context of Trade as the engine of growth, its welfare-enhancing multiplier effects which go beyond trade to improve overall life quality and confer welfare benefits to both countries. Fostering improved trade links normally based on optimizing comparative factor advantages and endowments will reinforce the on-going dialogue between the two countries and make the progress truly irreversible in multiple ways uninterrupted by any distracting aberrations.

While Indo-Pakistan bilateral trade during the last 3 years has increased from just over US \$ 1.8 billion in 2008-2009, to US 2.6 billion in 2010-2011 the potential was indeed much larger. The Commerce Ministers had envisaged enhancing bilateral trade from US \$ 2.6 billion to US \$ 6 billion within 3 years. Expert opinion suggested that their true potential was over US \$ 14 billion and indeed sky was the limit given an enabling policy and regulatory framework. These targets may not be so daunting considering that the current informal trade through multiple routes and modalities had already generated a substantial exchange of goods and services and bringing them in the formal channel would be mutually beneficial to both countries. The transition of the informal arrangements to a more formal structure needed incentive and encouragement through policy initiatives. The decision of the two Commerce Ministers for implementing the Memorandum of Understanding between India Trade Promotion Organisation and the Trade Development Authority of Pakistan to realise the trade enhancing targets needed to be pursued. They should evolve an actionable roadmap to achieve within a time frame the target prescribed by the two Ministers.

The deeply felt desire by people of both countries to broaden the relationship and in the context of the plan and objectives set out by both Governments, it was felt that:

1. The current initiatives to complete the transition from the current positive-list approach to a small negative list should be finalized and ratified by end February 2012 and in the second stage, to further phase-out the negative list by end 2012.
2. The process of seeking preferential trade agreements within the framework of SAFTA should be completed on a priority basis.
3. The Joint Technical Group for improving physical infrastructure for trade should also complete their exercise by end February 2012.

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4. Non-tariff barriers constituted deterrence in the realization of the trade potential of both sides. Based on the work of the Joint Working Group as well as the positive suggestions emanating from “Nuts and bolts trade facilitation discussion” organized by FICCI in December 2011 that had identified some tangible issues, needed further action on a priority-basis even while recognizing the non-discriminatory nature of these measures.
5. The two Governments should undertake appropriate measures for minimising sector-specific barriers as well as foster a dialogue between the regulatory bodies of both sides.
6. It was also necessary to create an appropriate grievance-redressal mechanism to facilitate clearance of trade consignments at land, sea and airports. Trade-facilitation measures for expeditious clearance of goods, harmonization of custom procedures need to be undertaken expeditiously. A customs cooperation agreement needed early conclusion. This should include valuation and mutual recognition of prescribed and approved quality standards. For facilitating this it was felt that a Group under Finance/Revenue Secretaries of both Governments should be constituted.
7. While trade constituted an engine of growth encouraging Investments by both countries would deepen economic relations. The early conclusion of an Investment Protection Treaty along lines with many other countries would enhance the confidence among the business community to undertake investment and realise the benefits of growing economic opportunities both countries had to offer.
8. Fostering linkages between private sector organisations harnessing their entrepreneurial initiatives and intra-industry trade including joint ventures would greatly enhance the effectiveness of other initiatives that are currently underway. Initiatives for enlarging the scope for cooperation and enhancing trade in some key areas like textiles, electronics and information technology constitute an integral part of a sector-specific action initiated by both sides. These deserve time-bound tangible action.
9. Trade links can not be strengthened or sustained without requisite financial and banking arrangements. It was noted with disappointment that the absence of such agreements had persisted for long. There was need to open bank branches in each others countries. Discussions between the central banking authorities must be undertaken quickly for enabling appropriate banking arrangements. Similarly permitting cross-border listing of stock indices and financial instruments should be encouraged within the regulatory framework/ institutions in both countries.
10. The Parliamentarians recognized that an enabling and friendly visa regime was necessary for enhancing broader cooperation between the two countries including people-to-people contact.
11. A “Comprehensive Economic Framework” for cooperation should also be initiated to realise the full potential of economic cooperation between Pakistan and India.
12. Strengthening and creating infrastructure for improving trade links such as Khokhrapar-Monabao, Bahawalpur-Rajasthan and ferry services between Karachi-Mumbai and Gwadar-Mumbai should be created and activated. Similarly improving infrastructure for new air, sea, road and railway should be expedited. Steps should also be taken to enhance cross Loc trade.
13. International roaming facility on mobile telephony should be available bilaterally. Pakistan and India should also be connected via optic fiber link. Unrestricted direct-dialling from all areas of both countries should be available.
14. Cooperation between the two countries should be diversified to encourage tourism, sports, youth and cultural exchanges.
15. Similarly cooperation in the sector of agriculture, health and education would be mutually beneficial. As both countries have comparative factor advantages in skilled manpower and are keen to realize the demographic dividend that the young population offers for sustaining higher rates of economic growth. Linkages between education institutions, particularly in the area of Information Technology, software and skill development create new mutually beneficial opportunities.

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The Parliamentarians recognized that there are a number of new initiatives which had crystallized since the Dialogue commenced. They are committed to the furtherance of not only these on-going initiatives but to encourage both governments to create a climate of public opinion which can deepen our relationship. Improving trade and economic relationship will also assist in resolving a number of long-standing issues which have been mentioned in the composite dialogue process. They were conscious that progress on one area of cooperation could not undermine the need to take similar initiatives and make progress on resolution of other outstanding issues. The Parliamentarians recognized the value for their continuing dialogue both to realise the broader vision of the role that Pakistan and India could play in jointly ushering the new Asian renaissance that the 21st century offers.

As in the past the Parliamentarians agreed to appraise the respective Presiding Officers of Parliaments, Policymakers, and media about the outcome of the on-going Dialogue Process. Parliamentarians also agree to bring up these issues in their respective Parliaments and in appropriate fora elsewhere.

Seasoned MPs from Pakistan and India, **Senator S. M. Zafar** (Punjab, PML), former Federal Minister for Law, Pakistan and **Mr. Yashwant Sinha**, former Union Minister for External Affairs and Finance, India (Jharkhand, BJP) co-chaired the Dialogue. They were joined by **Senator Jan. Muhammad Jamali**, Deputy Chairman Senate of Pakistan, **Mr. Faisal Karim Kundi**, MNA, Deputy Speaker National Assembly of Pakistan, **Mr. Qamar Zaman Kaira**, MNA, convener, Pak-India Parliamentary Friendship Group in the National Assembly and **Senator Salim Saifullah Khan**, Chairman Senate Standing Committee on Foreign Affairs, among others.

The Indian delegation comprised MPs representing major political parties of India from both houses of the Indian Parliament. Indian MPs from the Rajya Sabha included **Mr. Mani Shankar Aiyar**, Indian National Congress (INC); **Mr. Nand Kishore Singh** (Janata Dal (United), Bihar); **Mr. P Rajeeve** (Communist Party of India (Marxist), **Mr. Rajniti Prasad** (Rashtriya Janta Dal, Bihar), **Mr. K. Keshava Rao** (Indian National Congress, Andhra Pradesh) and **Syed Azeez Pasha** (Communist Party of India, Andhra Pradesh). Lok Sabha members joining the delegation included **Mr. Yashwant Sinha** (Bharatiya Janata Party (BJP), Hazaribagh, Jharkhand); **Mr. Asaduddin Owaisi** (All India Majlis-E-Ittehadul Muslimeen, Hyderabad, Andhrapradesh); **Mr. Bajjayant Jay Panda** (Biju Janata Dal, Kendrapara, Odisha); **Mr. Deepender Hooda**, (INC); **Mr. Hamdullah Sayeed** (INC, Lakshadweep (ST), Lakshadweep); **Syed Shahnawaz Hussain**, (BJP, Bhagalpur, Bihar); **Mr. Shatrughan Sinha** (BJP, Patna Sahib, Bihar); **Ms. Supriya Sadanand Sule** (Nationalist Congress Party, Baramati Maharashtra) and **Mr. Bhartruhari Mahtab** (Biju Janata Dal, Cuttack, Odisha).

Pakistani MPs who joined the Dialogue included **Senator Ishaq Dar** (Punjab, PML-N), **Senator Saeeda Iqbal** (ICT, PPPP), **Senator Tariq Azeem Khan** (ICT, PML), **Senator Hasil Khan Bizenjo** (Balochistan, NP), **Senator Dr. Abdul Malik**, (Balochistan, NP), **Senator Sabir Ali Baloch** (Balochistan, PPPP), **Senator Abdul Haseeb Khan** (Sindh, MQM), **Mr. Humayun Saifullah Khan**, MNA, (NA-27Lakki Marwat, Khyber Pakhtunkhwa, PML), **Lt. Gen. (Retd.) Abdul Qadir Baloch**, MNA (NA-271 Kharan-cum-Panjgur, Balochistan, PML-N), **Mr. Ayaz Amir**, MNA (NA-60, Chakwal-I, Punjab, PML-N), **Dr. Farooq Sattar** (MNA, NA-249, Karachi-XI, Sindh, MQM), **Ms. Fouzia Ejaz Khan**, MNA, (NA-317-Sindh-X, MQM), **Ms. Imrana Saeed Jamil**, MNA, (NA-318, Sindh-XI, Sindh, MQM), **Engr. Khurram Dastgir Khan**, MNA, (NA-96, Gujranwala-II, Punjab, PML-N), **Ms. Khushbakht Shujaat**, MNA, (NA-250, Karachi-XII, Sindh, MQM), **Mr. Kishan Chand Parwani**, MNA, (NA-341, Non-Muslim-IX, PML), **Dr. Lal Chand**, MNA (NA-335, Non-Muslim-III, Sindh, PPPP), **Mian Abdul Sattar**, MNA, (NA-193 R.Y.Khan-II, Punjab, PPPP), **Nawabzada Malik Amad Khan**, MNA, (NA-71 Mianwali-I, Punjab, PPPP), **Ch. Naseer Ahmed Bhutta**, MNA, (NA-127, Lahore-X, Punjab, PML-N), **Dr. Nahid Shahid Ali**, MNA, (NA-315, Sindh-VIII, MQM), **Begum Nuzhat Sadiq**, MNA, (NA-277, Punjab-V, PML-N), **Mr. Riaz Fatyana**, MNA, (NA-94, T.T. Singh-III, Punjab, PML), **Mr. Sajid Ahmad**, MNA (NA-257, Karachi-XIX, Sindh, MQM), **Mr. Shahid Khaqan Abbasi**, MNA, (NA-50, Rawalpindi-I, Punjab, PML-N), **Ms. Shahnaz Wazir Ali**, MNA, (NA-290, Punjab-XVIII, PPPP), **Mr. Abdul Rasheed Godil**, MNA, (NA-252 Karachi-XIV, Sindh, MQM), **Ms. Shireen Arshad Khan**, (NA-283, Punjab-XI, PML-N), **Ms. Tasneem Siddiqui**, MNA, (NA-285, Punjab-XIII, PML-N), **Ms. Parveen Masood Bhatti**, (NA-281, Punjab-IX, PML-N), **Mr. Nadeem Afzal Gondal**, MNA (NA-64, Sargodha-I, Punjab, PPPP), **Dr. Ayatullah Durrani**, MNA (NA-268, Kalat-cum-Mastong, Balochistan, PPPP), **Ms. Palwasha Behram Khan**, MNA (NA-291, Punjab- XIX, Punjab, PPPP), **Mr. Abid Sher Ali**, MNA (NA-84, Faisalabad-V, Punjab, PMLN), **Syed Asif Hasnain**, MNA (NA-255, Karachi-XVII, Sindh, MQM),

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Syed Haider Abbas Rizvi, MNA (NA-253, Karachi-XV, Sindh, MQM), **Pir Aftab Hussain Gillani**, MNA (NA-226, Mirpurkhas-cum-Umerkot-I, Sindh, PPPP), **Justice (Rtd) Fakhar-un-Nisa Khokhar**, MNA, (NA-295, Punjab- XXIII, Punjab, PPPP), **Ms. Asiya Nasir**, MNA (NA-322, Balochistan III, MMA) and **Ms. Shahnaz Saleem**, MNA, (NA-280, Punjab-VIII, PML-N).



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