



# IDSS COMMENTARIES (58/2005)

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## **Kashmir: Remaking the bridge linking India, Pakistan and China**

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AS India and Pakistan celebrated the 58<sup>th</sup> anniversary of their independence this month, their dispute over the state of Jammu and Kashmir continues to occupy the political centre-stage in the Subcontinent. Kashmir, however, is not merely a bone of contention between India and Pakistan. It is also an important part of the long-standing boundary dispute between New Delhi and Beijing.

China shares borders with parts of Kashmir controlled by India and Pakistan. While China's Xinjiang province marks the northern frontiers of Kashmir, Tibet lies on the state's eastern flank. India has claimed the Aksai Chin plateau, currently under the control of China, as part of the Ladakh region of Jammu and Kashmir. India has also challenged Pakistan's transfer of the trans-Karakoram territories of Jammu and Kashmir to China in 1963.

The Indo-Pak and Sino-Indian territorial disputes in Jammu and Kashmir have been the most enduring and destabilising elements of the Subcontinent's geopolitics for nearly 60 years. But the dismal recent past need not necessarily be a guide to the future. India's current simultaneous efforts to build peace with China and Pakistan hold the prospect of converting Kashmir into a land bridge between the three nations.

The state of Jammu and Kashmir was historically a link between the Subcontinent, China and Central Asia. Located at the crossroads of inner Asia, the different regions of Jammu and Kashmir thrived on trade across the great Himalayas. The not-so-clean partition of the Subcontinent in 1947 and the Sino-Indian boundary dispute since the middle of the last century disrupted centuries-old trading links and froze the frontiers of Kashmir amidst unending conflict.

### **“Out of the Box” Solution: free trade zone**

But today, India is exploring with what its Prime Minister Manmohan Singh calls “out of the box” ideas on Kashmir. Since early 2004, a full-blown peace process has begun to unfold between India and Pakistan with a shared political determination to normalise bilateral relations and resolve, once and for all, the Kashmir question.

Equally significant has been recent progress in the attempts by India and China to settle their boundary dispute. During Chinese Premier Wen Jiabao's visit to India in April, the two sides came up for the first time with a set of guiding principles for settling their disputes along the nearly 3600 km long boundary.

As India takes unprecedented steps in bilateral relations with Pakistan and China -- from measures aimed at military confidence-building and softer borders -- a simple new idea has come to the fore: A free trade zone in Jammu and Kashmir.

At the heart of such a zone would be the notion of open borders and free trade along Kashmir's frontiers with both Pakistan and China. The creation of such a zone need not necessarily involve a triangular negotiation between Delhi, Islamabad and Beijing. It could be constructed through India's bilateral agreements with Pakistan and China.

Besides open borders and free trade, such a zone could involve the joint development of hydro-electric power in Jammu and Kashmir, promotion of tourism across the state, the restoration of old road and rail links and the creation of new transportation networks.

While many ideas have been proposed on resolving the Kashmir question over the last six decades, few of them have been built around the theme of economic integration. As India, China and Pakistan now emphasise the urgency of rapid economic modernisation of their frontier areas, the prospects for a cooperative economic development in Jammu and Kashmir have begun to brighten.

In the Indo-Pak context, the focus of proposed solutions to the Kashmir question have revolved around three broad ideas -- territorial exchanges between India and Pakistan, shared sovereignty in the contested state, and self-determination for the people of Jammu and Kashmir. The Sino-Indian negotiations on Kashmir, fortunately, have been free of the problem of dealing with the problem of self-determination. With no population in the disputed Aksai Chin plateau, the focus has been essentially on the question of territorial exchange.

Sceptics would always underline the political difficulties underlying territorial exchanges and question the prospect of mutually acceptable settlements in Jammu and Kashmir. The three nations, however, could take interim steps that could generate an ambience in the state conducive to the consideration of creative political solutions. If such an approach is adopted, the option of expanded trade and transit across the contested frontiers of Jammu and Kashmir emerges as an attractive proposition.

India and Pakistan have already taken some tentative steps towards loosening their military grip along the Kashmir border. A military ceasefire has been in place since the end of 2003 along the dividing line in the state. In April this year they launched the first- ever bus service between Srinagar the capital of Indian controlled Kashmir and Muzaffarabad, the headquarters of the Pak Administration in Western Kashmir.

Delhi and Islamabad are also committed to opening up additional bus services along the dividing line and facilitate the movement of goods. This opens the door for the consideration of a much larger agenda of Indo-Pak economic cooperation in Kashmir.

The tariff-free movement of goods across Jammu and Kashmir would give a huge boost to economic activity in both parts of the state by restoring traditional synergies and allowing them to better access the markets of India, Pakistan and the world. The free movement of people across the frontiers of Kashmir will lay the basis for a joint promotion of tourism in the state and bring new levels of prosperity to the region.

Beyond free trade and tourism, India and Pakistan could also explore the possibility of joint development of the water resources in Jammu and Kashmir, especially the production and distribution of hydro-electric power in the state.

### **Sino-Indian trade**

In contrast to the Indo-Pak frontier in Kashmir, the Sino-Indian border has been tranquil for nearly four decades since their border skirmishes in the early 1960s. As their bilateral trade booms, India and China have already agreed to open up their borders for commerce in the eastern sector.

A similar approach in Kashmir would help revive historic trade ties between Ladakh and its adjoining regions in China. For centuries before the Sino-Indian frontier closed in the early 1960s, Ladakh's capital Leh was the entrepot for the Subcontinent's trade with Tibet and Xinjiang. The Ladakh region also provided the easiest access to Indian pilgrims traveling to the holy sites of Mount Kailash and Lake Mansarovar in western Tibet.

As China seeks to rapidly develop Tibet and Xinjiang, Beijing wants to promote better road links between these two provinces and the Subcontinent to the south. The Karakoram Highway, through Pakistan-controlled Kashmir, has given Xinjiang access to the south. Opening old trade routes between India's Ladakh and China's Tibet and Xinjiang provinces will expand that connectivity and promote mutually beneficial economic cooperation. It will also facilitate unprecedented Indian religious tourism into Tibet.

Much of this proposed activity can be promoted without a prejudice to the territorial claims of India, China and Pakistan in Kashmir. As economic conditions in the state of Jammu and Kashmir improve amidst a new entente between India, China and Pakistan, the territorial disputes will lose some of their current salience and new solutions should present themselves.

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