#### Revival of Indo-Central Asian Links Across Poonch-Rawalakot Road in J&K:

# A Study in Costs and Benefits

#### **DISSERETATION**

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By

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2013



# CENTRE OF CENTRAL ASIAN STUDIES UNIVERSITY OF KASHMIR

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# **CERTIFICATE**

I solemnly declare that the Dissertation entitled "Revival of Indo-Central Asian Links Across Poonch-Rawalakot Road in J&K: A Study in Costs and Benefits," submitted by me in the discipline of History under the supervision of Prof. Mushtaq Ahmad Kaw, is my own contribution. This piece of research work is original, and does not contain any piracy. It has not been submitted, so far, anywhere for the award of any degree.

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Research Scholar, CCAS

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# Chapter 1

#### Introduction

#### Silk Route: A Structural Frame work

The term Silk Route was coined by Ferdinand Von Richtofen, a German geographer, explorer and expeditioner to China during the latter half of the 19th century (1877 A.D). The route spanning over nearly 4,000 miles (65,000) Kilometers, refers to a network of interlinked trade routes across the Afro-Eurasian space, connecting East, South, and West Asia with the Mediterranean and European world and parts of North and East Africa.<sup>1</sup> It originated from China, traversed the Kun Lun and Tien Shan mountains towards south of the Takalamakan desert, and moved through the Kashgar city onto Samarkand, Persia, Mediterranean and Roman world.<sup>2</sup>

Trade on the Silk Route was a significant factor in the development of the great civilizations of China, India, Egypt, Persia, Arabia and Rome.<sup>3</sup> Quiet precisely, it had large number of offshoots which were supplemented by the sea routes extending from the Red Sea to East Africa, India, China, and Southeast Asia.<sup>4</sup> The trading commodities mostly consisted of the Chinese silk, spices, tea, and porcelain, Indian ivory, textiles, precious stones and pepper, Roman gold, silver, fine glassware, wine, carpets, and jewels etc. The horses, slaves and hoards of specialized farm and cottage products supplemented the commodity structure on the Silk Route. However,

<sup>&</sup>lt;sup>1</sup> Killion Ulric, *A Modern Chinese Journey to the West: Economic Globalization and Dualism*, New York: Nova Science Publishers, 2006, p.65

Susan Whitfield, The Silk Road: Trade Travel War and Faith, Chicago: Serindia Publications, 2004, p. 162

Niklas Swanstrom, "China and Greater Central Asia: New Frontiers," *Central Asia-Caucasus Institute & Silk Road Studies Program*, Silk Road Paper December 2011, p. 16.

<sup>&</sup>lt;sup>4</sup> A Modern Chinese Journey to the West: Economic Globalization and Dualism, p.71

the said route was not alone meant for commodity exchange but also for the spread of knowledge, ideas and cultures.<sup>5</sup>

Its history goes back to the rule of Han Lyu Tche also known as Wu-di in China (141-87 B.C). To fight the northern tribesmen (Xiongnu) Wu-di sent his general Zhang Qian<sup>6</sup> to Central Asian tribal chief, Yuezhi, for purchase of famous Iranian war horses. However, Zhang Qian and his men were captured and held by the enemy Xiongnu tribesmen for ten years. Anyhow, he escaped from there and reached back to the friendly Yuezhi tribe in 128 B.C. Subsequently, however, he was captured



The Silk Road and its offshoots

Source: www.silkroadproject.org/tabid/177defaul.aspex.

by another rival group, and on escape, he returned to China in 125 BC. with the unforgettable experiences in mind about different overland routes connecting China with Central Asia. Based on his information, China opened up trade with Rome across

Francis Wood, *The Silk Road: Two Thousand Years in the Heart of Asia*, Berkeley: University of California Press, 2002, pp. 13–23.

Luce Boulnois, Silk Road: Monks, Warriors & Merchants, Hong Kong: Odyssey Books, 2005, p.66.

different routes across the Eastern and Western Turkistan, India, Afghanistan, Persia, Middle Eastern, Aral, Caspian and the Black Sea.<sup>7</sup>

In all, however, Kashgar was the junction of routes and sub-routes of Eurasian space, and contributed to the onward transportation of specialized goods to the world markets since 3rd-2nd century B.C: Badakshan for lapis-lazuli (precious stone), Khotan for jade, India for ivory, Khwarizm for turquoise and China for paper, silk and gunpowder, to name a few only. The transcontinental trade was also instrumental in the acculturation and dissemination of cultures, religions, arts, crafts, ideas etc. In a way, such a network of routes and sub-routes developed over a long span of time, served as veins of human civilizations and cultures.

#### **Poonch-Rawalakot Route:**

Incidentally, Kashmir was a contributory to the Grand Silk Route as its different offshoots criss-crossed Kashmir at several entry and exit points. These traversed the Pamir's, Hindukush, and the Greater and Middle Himalayas, and facilitated exchange of men, material, ideas, thought and technologies from time to time. Besides, Srinagar-Muzaffarabad, Ladakh and Gilgit routes, Kashmir was connected with Central Asia through the Poonch-Rawalakot sub-link road. Before the Partition of India into India and Pakistan in 1947, Poonch and Rawalakot formed a single geographical space. But soon thereafter, the route closed due to India-Pakistan wars on Kashmir, which left unhealthy impact on the structure of direct links and linkages of Kashmir with outer world. Consequently, Poonch in J&K and Rawalakot in PAK began to constitute two different geographical, political, and territorial entities.

A Modern Chinese Journey to the West: Economic Globalization and Dualism, p.66

<sup>&</sup>lt;sup>8</sup> K. Warikoo, *Central Asia and Kashmir, A Study in the Context of Anglo-Russian Rivalry*, New Delhi: Gian Publishing House, 1989, p.55.

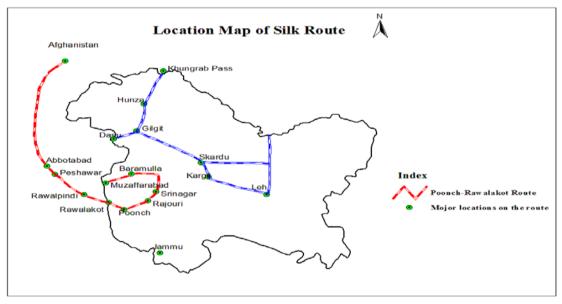
Mushtaq A.Kaw, "Restoring Indias Silk Route links with South and Central Asia across Kashmir; Challenges and Opportunities," *The China and Eurasia Forum Quarterly*, Central Asia-Caucasus Institute and Silk Road Studies programme, Vol.7, May/June 2009, p.60

Based on the field survey conducted by the investigator in June 2011 and June 2012 respectively

Poonch is situated to the South West of the Kashmir Valley, and is bounded on the north by the Jhelum valley terrain, on the south by district Naoshera, on east by the Pansal range, and on the West by the river Jhelum. In general, the district is fairly mountainous, and highly elevated. <sup>11</sup>

On the contrary, geography of Rawalakot is saucer-shaped at the 1615 meters (53000ft). Being seventy six kilometers (forty seven miles) away from Kohala, Rawalakot was linked to the Rawalpindi-Islamabad link road to Central Asia via the neighboring districts of Azad Pattan, Tain Dhalkot, and Muzaffarabad via Kohala, Sudhangali and Asphalat. Rawalakot is famous after the name of "Pearl Valley." <sup>12</sup>

Poonch-Rawalakot Route one of the micro outlets<sup>13</sup> of Grand Silk Route connects Poonch with other parts of Pakistan Administrated Kashmir (PAK) and there from to Central Asia. The history of the said route is largely obscure due to lack of



Source: Google maps.com

Gazetteer of Kashmir and Ladakh, (Compiled under the direction of the Quarter Master General Intelligence Branch), Delhi: Manas Publications, 1992, p.672.

Information regarding Rawalakot geography is collected from the District Commissioners Office Poonch on June 6, 2012 and rest of the information was collected from people of Poonch in June 2011 and June 2012 respectively.

Mushtaq A. Kaw, "Restoring India's Silk Route links with South and Central Asia across Kashmir; Challenges and Opportunities," *The China and Eurasia Forum Quarterly*, Vol.7, May/June 2009, p.60.

evidences. However, on the basis of field survey, the investigator could form some idea about its history. Reportedly, it was the direct outlet of the people of Poonch and Rajouri in J&K and Rawalakot, Hajeera and Kotli in PAK to Central Asia for trade and other pursuits. The route remained open throughout the year for barter-based trade in varieties with certain percent of taxes and cesses paid to the state from time to time. <sup>14</sup> Obviously, therefore, the said Silk Route offshoot linked India and Kashmir with the outer world for inter and intra-cultural and religious dialogue and exchange of men, material, ideas, arts, crafts, technology etc. Several social groups contributed to its emergence and development for the pursuit of fame, fortune, adventure and missionary activities. In the process, borders remained open despite men-made and God-made challenges.

However, such traditional Silk Route links including Poonch-Rawalakot route fractured with the emergence and the infighting of India and Pakistan on Kashmir. This led to the de-facto division of "Greater Kashmir" into Jammu and Kashmir (J&K) and Pakistan Administrated Kashmir (PAK). With that, surfaced the Line of Actual Control (LoC) in 1949, for whose retention and expansion, India, Pakistan and even China fought dreadful wars between and among themselves in the 1940s, 1960s, 1970s, 1990. This eventually stalled the whole process of free trade, human passage and religio-cultural movements across the otherwise porous borders. Alarmingly, the closure of the said route exposed the border peoples to multitude of trial and tribulations since and after the Partition of India in 947.

However, India-Pakistan peace talks for conflict resolution have opened new vistas for restoration of some, if not all, traditional road links amid swath of apprehensions, security in particular. The impression was that the border re-opening for trade and traffic would prove a catalyst to Indo-Pak conflict on Kashmir.<sup>16</sup>

Based on the field work conducted by the investigator in Poonch in June 2011 and in June 2012 respectively.

Mushtaq A.Kaw, "Restoring Indias Silk Route links with South and Central Asia across Kashmir; Challenges and Opportunities", *The China and Eurasia Forum Quarterly*, Vol.7, May/June 2009, p.62.

M. Ashraf, "Intra-Kashmir Trade," Greater Kashmir, Srinagar, J&K, India, 19 October 2008.

Accordingly, under the confidence building measures (CBMs), two trans-LoC routes in Kashmir, including Poonch-Rawalakot route were reopened in 2008 as a follow up of rounds of Indo-Pakistan diplomatic and official level talks under the internal and external motivations and compulsions. The initiative was applauded by different sections of society for it saw a new dawn to the border peoples after decades of separation. <sup>17</sup> However, its future would depend upon Indo-Pak relations in the coming days.

No doubt, its re-opening involves both costs and benefits. However, in this thesis, the investigator argues that benefits out-weigh costs, and rhyme with the local and regional demand for integration of peoples, countries, cultures and communities and for convergence of the security interests of India and Pakistan in the regional context.

The present study is quite relevant to the fastly transforming India-Pakistan relations over the last decades or so. It would serve as a feedback to the two governments for it underscores the need of re-opening the said route round the year for people-to-people contacts, empowerment of the border peoples and the growth of industries, religious tourism in particular. It justifies the present Indo-Pak dialogue diplomacy on the grounds of accruable benefits, security in particular and other benefits in general. To reiterate, the said route has indeed the distinction of being the one that was restored, of course for limited trade to begin with, under the Indo-Pak peace and mutual dialogue process.

While the present thesis is mostly constructed on the basis of empirical studies, it nonetheless takes cognisans of the primary and secondary sources. With these considerations, the investigator perused the following literature both in terms of gaps and sufficiency of material on the subject.

#### **Literature Review:**

Many scholars, historians, geographers and travelers like Ibn Batuta (*Rehla*), Al-Beruni (*Kitab-ul-Hind*), Sharafudin Yazdi (*Saffar Nama*), Mirza Haider Dughlat (*Tarikh-i-Rashidi*), Abu Fazl (*Akbar Nama and Ain-i-Akbari*), Jehangir (*Tuzuk-i-*

<sup>&</sup>lt;sup>17</sup> Kashmir Times, Srinagar, J&K, India, January 31, 2013.

Jahangari), Muhammad Kazims (Alamgir Nama), Mir Izzatullah (Sayahat Nama), Mehta Sher Singh (Safar Nama) and Hassan Shah (Tarikh-i-Hassan), have given an exhaustive account of different routes connecting the Indian Punjab with Central Asia through Kashmir. They report about the movement of traders, merchants, Sufis, saints, scholars, missionaries, artisans, and craftsmen across inhospitable forests, mountains, deserts, rivers and oases for the purpose. Even several foreign travel accounts contain sufficient material on the route structure criss-crossing Kashmir.

While the significance of these historical accounts can't be underestimated, these, however, contain just few scattered references on the subject matter pertaining to the Poonch-Rawalakot route link to South and Central Asia. More so, for obvious limitations in terms time and space, these historical accounts are deficient on the cost-benefit evaluation factor of the restoration of the Poonch-Rawalakot route. Most of the available information pertains to the pre-partition period of Indian history. Further, the given information is inadequate as regards trade-structure, trade-organization, composition of merchant community, taxation laws, state policy etc. This does not presuppose their irrelevance in the compilation of the present thesis. Infact, the investigator took thoughtful insights from these sources. The shortfalls there of were made up by the inputs from the empirical studies. A brief introduction of some of the important sources is made herein for reference and record.

#### • E. F. Knight, Where the three Empires Meet, London: Longmans, 1893.

The author visited Kashmir during the late 19<sup>th</sup> century and compiled this account with the description of various routes connecting Kashmir and adjacent countries of Western Tibet, Gilgit etc. His work provides some information about trade items were exchanged between Kashmir and Central Asia, through different routes. Besides, it describes geography, society and economic set up of the peoples situated along different routes, except of course Poonch-Rawalakot.

• G.T. Vigne, Travels in Kashmir, Ladakh, Iskardoo and Countries Adjoining the Mountain Courses of Indus and Himalayan North of Punjab, 2 Vols, New Delhi: Sagar Publications, 1881.

This travel account of the 19<sup>th</sup> century consists of two volumes dealing with Kashmir's geography, culture, trade, orchards, plants etc. The reference to its people,

their settlements, forts and other historical sites are not far to seek, and interestingly, it accounts for the Alexander's invasion of India through different passes, Great earthquake of Kashmir 1828, and specimans of religious, residential and other infrastructures. The information regarding Takht-i-Suliman, River Jhelum and the wool and shawl broker's community is of special interest. However, it fails to explain the trade dynamics of the Poonch-Rawalakot route.

 George Foster, A Journey from Bengal to England through Northern Parts of India, Kashmir, Afghanistan, Persia and into Russia Caspian Sea 1782-84, 2
 Vols, New Delhi: Munshiram Manoharlal Publishers Pvt. Ltd: 1997.

The travel account summarizes Afghan rule in Kashmir in different contours, its location, geography, agriculture, trade and routes connecting Kashmir with the South and Central Asian neighborhood. The said work is important for it estimates as to how routes were instrumental in promoting economic, political, social and cultural ties between the two regions. It also contains information about the Poonch-Rawalakot route, which, however, is limited as regards its inclusive dynamics.

• William Moorcroft and George Trebeck, Travels in India Himalayan Provinces of Hindustan and the Punjab in Ladakh and Kashmir in Peshawar, Kabul, Kundaz and Bokhara, From (1819 to 1825), New Delhi: Asian Educational Services, 1984.

This travelogue profiles socio-economic and political history of Kashmir during the 20<sup>th</sup> century. It delineates on the history of different ethno-social groups and their socio-economic profile, and also on historical geography of Kashmir and different routes connecting with Kabul, Kashgar, Bukhara etc. The description of Ladakh and the region beyond Karakoram or Himalayas in present day Chinese part of Turkistan is exhaustic. The delineation of route structure between Kashmir and Kashgar, Tibet, Gilgit and the like destinations is special though, yet the said account is absolutely silent about Poonch-Rawalakot route history.

• Federic Dew, *Jammoo and Kashmir Territories*, New Delhi: Cosmos Publications, 1976.

The book profiles the physical division of Jammu and Kashmir as a factor of the

growth of Kashmir's economic profile. Besides, it contains brief information about Kashmir's trade and routes. The contents of the book are quiet a good learning and experience though, yet it speaks nothing about Poonch-Rawalakot Route.

# • Mohammad Din Fauq, *Tarikh-i-Aqua'mi Poonch*, Srinagar: City Book Centre, 2009.

This book written in Urdu is exclusively dawn on Poonch, its polity, ethnicity, economy, society and the like social denominators. However, the book contains almost nothing about Poonch-Rawalakot route during the pre-Partition period.

# Walter R. Lawrence, The Valley of Kashmir, Srinagar: Ali Mohammad & Sons, 2004.

The book was written by Walter Lawrence, the Settlement Commissioner of Kashmir in 1895. It is significant for being based on the personal experience of the author regarding land-tenures of Kashmir. His narration of facts is, by and large, objective and his understanding of the Kashmiri ethnic group is lucid and sympathetic. In fact, no work on contemporary Kashmir is valid without a reference to Lawrence's *The Valley of Kashmir* for it exhaustively profiles Kashmir's ethnic, tribal, religious, agricultural and industrial life. Importantly, it deals with the issues concerning Kashmiri's trade relations with Central Asia along different land routes.-However, it fails to give any description of the Poonch-Rawalakot route.

# • B. K. Kaul Deambi (ed.), *Kashmir and Central Asia*, Centre of Central Asian Studies, Srinagar: University of Kashmir, 1989.

The book is actually formed of the Seminar proceedings held on "Kashmir and Central Asia-Cultural Contacts and interactions" by the Centre of Central Asian Studies, University of Kashmir in 1983. While some contributors have based their writings on the Sir Aruel Stein's areachological excavations from Xinjiang or Chinese part of Eastern Turkistan, others have sized up Kashmir and Central Asian relations in historical, cultural, political, ideological and commercial contours. They have drawn a picture of the linguistic and technological transformation that took place from Central Asia to Kashmir and India and vice-versa.

The explanation about region's trade with Central Asia during the medieval period is sufficient though, yet information about transmission channels is lacking. Even the book is silent about the description of the Poonch-Rawalakot route and its role in trade with Central Asian neighborhood over modern state of Pakistan.

• Gulshan Majeed and Raja Bano, *Kashmir to Central Asia*, 1866-1867 Routes & Events, Srinagar: Jay Kay Book Shop, 2009.

The book actually the translated version of Mehta Sher Singh's travel account was compiled as a historical narrative during the mid 19<sup>th</sup> century. It depicts Kashmir's trade ties with Central Asia, Afghanistan and Xinjiang (Eastern Turkistan). The said book holds tremendous relevance to my subject as it symbolizes an account of historical geography and route structure from Kashmir to Peshwar over Muzaffarabad, and the important settlements situated there along. It also gives an account of the life of settlers, their trade and taxes and cesses paid by them towards the state. While Peshwar-bound routes from Kashmir are many, Mehta Sher Singh nowhere mentions Poonch-Rawalakot as a trade or road link between Kashmir and Kabul.

• K. Warkioo, Central Asia and Kashmir A study in the Context of Anglo-Russian Rivalry, New Delhi: Gian Publishing House, 1989.

The book profiles Kashmir's multifarious relations with Central Asia during the 19<sup>th</sup>-20<sup>th</sup> century: political, commercial, cultural, diplomatic, security, etc. An account of the Anglo-Russian enmity for imperial designs is not for to seek in the book. Occasionally, one comes across references to trade allied issues in the book. Moreover, it nowhere describes Poonch-Rawalakot as a trade or road link between Kashmir and Central Asia.

• P.N.K. Bamzai, *Kashmir and Central Asia*, New Delhi: Light and Life Publishers, 1980.

The book is a historical account of Kashmir and Central Asian relations in different contours; peoples, places, occupations, trade, routes, arts, crafts, agricultural produce etc. But the said book does not speak anything about the route under reference.

#### **Methodology:**

The present work is carried out to plug the gaps found in above accounts and to highlight the relevance of the Poonch-Rawalakot route in the changing India-Pakistan dialogue-based relations and their resolve to re-open trade and traditional routes under the confidence building measures (CBMs). In a way, the present work is an embodiment of historical and contemporary studies. Obviously, therefore, historical methodology was pursued for compilation of the work. Both primary and secondary sources were studied to do the needful included translated version of Persian accounts and the administrative reports, preserved in the National Archives of India and State Archives of Jammu and Kashmir. The travelogues were considered as an important input followed by the reporting in different national and international journals, periodicals and news papers. Modern means of internet were also taken into account for collecting information on the subject. However, an exhaustive empirical study was carried out in Poonch division of J&K. Interviews were conducted with different segments of society to know the response of different stakeholders towards the reopening of the Poonch-Rawalakot route in 2008.

# Chapter 2

#### **Poonch-Rawalakot Road**

#### **Broad Features**

#### **Historical Background:**

From the early times, the Indian sub-continent was connected to the Grand Silk route through a network of sub-routes criss-crossing "Greater Kashmir" or what presently constitutes Jammu and Kashmir in India (J&K) and Pakistan Administrated Kashmir in Pakistan (PAK). One such route originating from the Punjab, reached Srinagar, the Kashmir's capital, then moved ahead to Ladakh in Jammu and Kashmir state, where it split into two branches, one, accessed the Tibetan part of China via Chishool, and another, via Nubra, crossed over Karakoram at Daulatabeg Ulde and reached the Chinese part of Central Asia or Xinjiang Uighur Autonomous Republic (hereafter Xinjiang), from where it moved further towards Central Asia. This is known as the Ladakh Route.

The second major route descended from the Punjab, traversed Srinagar, Gurais and Bandipora and entered Gilgit in Pakistan Administrated Kashmir (PAK) where it fragmented into three sub-branches, one each towards Xinjiang in China, Murghab in Tajikistan and Badakshan in Ahghanistan. The third principal route connected Srinagar with Central Asia and Iran via Baramulla, Uri, Muzaffarabad, Abbotaabad, Rawalpindi, Peshwar, Kabul and Afghanistan across Hindukush and Khyber Passes (hereafter Srinagar-Muzaffarabad Route). All three major routes were interconnected within the same geographical space by several other micro outlets including the Poonch-Rawalakot Route.

Mushtaq A. Kaw, "Restoring Indias Silk Route links with South and Central Asia across Kashmir; Challenges and Opportunities", *The China and Eurasia Forum Quarterly*, Central Asia-Caucasus Institute and Silk Road Studies programme, Vol.7, May/June 2009, pp.60 & 22.

The Poonch-Rawalakot route has been historically very significant.<sup>2</sup> Its history is obscure due to lack of evidences. However, on the basis of field study one understands that before the Partition of the Indian sub-continent, this route was called, Poonch-Jellas<sup>3</sup> route which connected Pakistan via Poonch-Jellas, a Kachha route, meant for caravan trade and foot passengers, was constructed by Rajas of Poonch to avail vacations at Hajeera, Phandeen, Devigala, etc. This route was also used by the Dogra rulers like Moti Singh, Raja Baldev Singh, Sukhdev Singh, Raja Jagit Singh and Raja Shivtan Singh within their political domain consisting of four tehsils of the Riyasat of Lahore till 1947.<sup>4</sup>

Before the Partition of the Indian sub-continent in 1947, the Poonch-Rawalakot trade route was the only link road between Poonch and Sudhanti, now called Rawalakot. It is Just 15 kilometers to the LoC from Hajeera and 43 kilometers from Rawalakot.<sup>5</sup> After the Treaty of Amritsar in 1846, a part of Jammu and Kashmir State comprising Bagh Sudhanti<sup>6</sup> (Rawalakot), Mendhar and Haveli were assigned to Raja Moti Singh as his *Jagir* (landed estate).<sup>7</sup>

The Poonch-Rawalakot link road played an important role in the local economy and the "production consumption trade structure" of the region at large. It was most convenient both for traders and commoners coming from Rawalakot to Srinagar via Baflaiz, situated 20 kilometers from Poonch on the famous Mughal road.<sup>8</sup>

Mohibul Hassan, *Kashmir Under The Sultans*, Srinagar: Ali Mohammad & Sons, 1959, p. 22.

Based on interview with Padam Shri Awardee, S-N-Khajura, Chairman Border Area Peace Mission committee Poonch, on June 8, 2012.

<sup>&</sup>lt;sup>4</sup> Based on interview with K.K. Kapoor, a Retd. District Education Officer Poonch on June 10,2012.

Information regarding distance from Poonch to Rawalakot is carried from Deputy Commissioner's office Poonch on June 1,2011.

<sup>&</sup>lt;sup>6</sup> R.K. Parmu, A History Of Muslim Rule in Kashmir 1320-1819, Srinagar: Gulshan Books, p. 389.

Jagir means a land revenue assignment: Mushtaq A. Kaw, *The Agrarian System of Kashmir* (1586-1819), Srinagar: Aiman Publications, 2001.

<sup>8</sup> *Kashmir Under The Sultans*, p.24.

However such links broke down with the Partition of the Indian sub-continent, into two nation states of India and Pakistan in 1947. Instead of engaging in nation building, both the states were caught up in conflicts and wars which ultimately led to defacto division of "Greater Kashmir" into what constitutes Indian Administrative Kashmir called Jammu and Kashmir (J&K) and Pakistan Administrative Kashmir (PAK) in Pakistan: Poonch fell to the lot of J&K and Rawalakot to that of PAK. Concurrent to the said division, Poonch- Rawalakot traditional route was sealed and whole trade and traffic along it was stalled with unhealthy impact on the living of the people. Its sealing led to a serious human problem as it bisected the people of the same ethnic and kinship group. Of late, as a result of Indo-Pak confidence building measures (CBMs) following several rounds of peace talks between the two countries, the said road was restored on 11th October, 2008 for limited trade and traffic and has been operational notwithstanding the Mumbai Terror Attack of 26 November 2008 and its fallout on Indo-Pak friendly ties. However, for several bottlenecks and trade hazards, the said route sans total free trade and traffic as was characteristic of it during the Pre-Partition period. Infact, the present study has been carried out to underscore the need of its re-opening on the basis of both costs and benefits to all stakeholders, India, Pakistan and their people in J&K and PAK.

As argued above, the written records are deficient about the history of the said route, its origin and development. The gap was, as such, filled by the inputs sought from the people of different age groups of Poonch and Rawalakot districts. A retired school Headmaster, Amar Singh Josh, a grey bearded 70 year old man with a walking stick in hand, recounted its history with following impressions: "Grazing at the mountains on the Pakistani side, recalling his olden days more than six decades ago, I visited my father's shop in Rawalakot, now in Pakistani Kashmir, along with ponies carrying a variety of foodstuff for sale. I vividly remember that my father had a shop in the main Rawalakot bazaar. We used to take maize, rice, and *rajmah* (Kidney beans) from Poonch (still famous for these things) to sell in our shop there. Rawalakot had a good market for these things as these items were not produced locally. We had three ponies and would load them with goods from Poonch and take them to Rawalakot. It was a 45 kilometers bridle path which would take us about five-six hours to cover. I travelled many a times on this route for trade with my father and my

friend Ayub Khan who has now retired as a colonel in the Pakistan army. It is the biggest tragedy that India and Pakistan got divided, and many countries have taken advantage of this divide."

Ghulam Hassan Khan of village Rangeth in Poonch expressed almost similar impression about the history and the trade dynamics of the Poonch-Rawalakot route, which he considers, was one of the arteries of Grand Silk Route that broke the Valley's isolation and connected it with Rawalakot, Muzaffarabad, Rawalpindi and onwards to Central Asia. It was characteristic of flow of passengers and caravans. "I still remember the days the caravans used to come from Rawalakot and other areas to Poonch and some of them moved onwards to Rajouri, and others to Baflaiz, for further movement to Srinagar through the famous Mughal road, which was then the shortest and safest route to Kashmir. I was young when I along with my grandfather and father traversed the route to and fro for variegated trade in Rawalakot PAK, Afghanistan and Central Asia. My grandfather had his own shop in Rawalakot where he traded in varieties with the business communities of Muzaffarabad, Rawalpindi etc," Khan further said.

Thus the information provided by the above respondents, though insufficient, is nonetheless helpful in forming some idea about the Poonch-Rawalakot route in historical perspective.

#### **Geographical Setting:**

The Poonch-Rawalakot route contained several settlements and villages which were distinct in size, population, landscape, location and means and forms of production. These settlements were situated along the plains, forests, boulders, chiffs, ridges and water ways; hence, were smoothly located in some cases and stuffy and roughly situated in other cases.

One of the settlements was on the Poonch side in J&K is the village **Khadi** which consisted of 50-70 houses located on an uneven land surface which was productive of crops like wheat and maize,<sup>9</sup> which formed staple food and source of

Based on interview with Ghulam Hassan Khan, Head man of the village cum a retired school Headmaster, at Khadi (Poonch), on June 2, 2012.

living to its people. Due to limited resources, the settlers present a poor economic profile. However, most of them engaged in agriculture and trade.

Another settlement is the village **Gulpur**, which presents a different socio-economic profile from the village Khadi. It consists of 80-110 houses inhabited mostly by refugees from the villages of Hajeera, Sudhanti and Rawalakot from Pakistan side. Some of the people in the village are literate and retired officials of state system. However, most of the settlers belong to lower strata and are engaged in agriculture, crafts and trade, which suggests relatively a diverse economic profile of the village as a whole.

On the Poonch side in J&K, a land strip of 10 kilometers with almost no vegetation and population connected Poonch city with Cross LoC trade centre at *Rah-i-Milan* Bridge or Zero-line. The first village after *Rah-i-Milan* Bridge was **Tetrinote,** <sup>11</sup> followed by the villages like **Salotri,** <sup>12</sup> **Phandeen,** <sup>13</sup> **Khaigala,** <sup>14</sup> **Akhorban.** <sup>15</sup> Most of the villages are small sized and inhabiting 40-70- houses each, and the people are mostly agriculturists. The village Salotri is followed by the small settlements of **Jullas,** <sup>16</sup> **Kopra,** <sup>17</sup> **Dhanni,** <sup>18</sup> and **Devigala,** <sup>19</sup> **Khalipadi,** <sup>20</sup> **Badia,** <sup>21</sup> **Hajeera,** and **Sudhanti,** on the other side of LoC in **Rawalakot.** <sup>22</sup>

Based on interview with K.K. Kapoor, a Retd. District Education Officer, at Poonch on June 1, 2012.

Based on interview with Custodian Officer near Cross-LoC trade Centre Chakan-Da-Bagh Poonch, on June 1, 2012.

Based on interview with the Mohd Akbar a trader from Hajeera (PAK) at Cross LoC trade Centre Chakan-Da-Bagh Poonch on June 2, 2012

Based on interview with Abbas Ali, a trader from Hajira (PAK), at Cross LoC trade Centre Chakan-Da-Bagh Poonch on June 2, 2012.

Based on interview with Abdul Hameed General Manager District Industries Poonch, who visited PAK twice via Poonch-Rawalakot bus service.

Based on interview with the elderly people of Karamara village (Poonch) on June 2, 2012

Based on interview with Kartar Singh, a driver from Sudhanti (PAK) on June 3, 2012

Based on interview with elderly people of Khadi Village (Poonch) on June 3, 2012.

# **Ethno-social Composition of Poonch Villages:**

Most of the population of Poonch villages is drawn from different ethno-social and religious groups and sub-groups, the Hindus, Muslims, and Sikhs. Ideologically different though, yet they pursue common sect of customs and traditions within their own religious framework. Like the traditional social systems, the Hindus have four social castes, privileged and unprivileged. The Muslims are of Rajput, Gujjar and Kashmiri origin.<sup>23</sup> They do not practice exogamous pattern of marriage and follow their own customs and practices for the purpose. An idea here under should simplify the understanding about their ethnic-social, cultural and ideological background.

#### a)Rajputs:

The term Rajput is the corrupt form of the Sanskrit word "Rajputra" found in the Vedas, the Ramayana, and the Mahabharata. It was associated with the name of warriors and rulers, who claimed their descent from the Kshatriya social groups of the Vedic times. <sup>24</sup> More than 20,000 Poonchi (Rajputs) served in the Indian army in the World War I, the number tripled in World War II. <sup>25</sup> Majority of them in Rajouri District are from Rajasthan, Gujarat, Punjab, Haryana and Himachal Pradesh. Though Islam denounces polytheism and belief in sun, moon, fire and other natural

Based on interview with Pawan Anand president of Cross LoC Trade Association Poonch on June 4, 2012.

Based on interview with Retd. Major Manoj Singh who participate in 1965 war against Pakistan at Gulpur Village (Poonch) on June 2, 2012.

Based on interview with Abbas Ali, a trader from Hajeera (PAK) at Cross LoC trade Centre Poonch on June 2, 2012.

Based on interview with Padam Shri Awardee, S.N. Khajura, Chairman Border Area Mission Committee Poonch on June 8, 2012.

Based on interview with Padam Shri Awardee, S.N. Khajura, Chairman Border Area Mission Committee Poonch on June 8, 2012.

<sup>&</sup>lt;sup>23</sup> Mohammad Din Fauq, *Tarikh-i-Aqua'mi Poonch*, Srinagar: City Centre Book, 2009, p. 2.

<sup>&</sup>lt;sup>24</sup> Tarikh-i-Aqua'mi Poonch, p.141.

<sup>&</sup>lt;sup>25</sup> Parvez Dewan's, *The Other Kashmir*, New Delhi: Manas Publications, 2011, p.88.

manifestations, yet the Muslim of the area feel proud of being the Rajputs<sup>26</sup> with glorious past in the background, and which facilitated their convergence with their fellow Hindu Rajput brethern. Thus during any conflict with other communities, the Rajputs of the area, form a common front notwithstanding their religious incompatibility. However, the Rajput communities have their own sub-castes. The Hindu Rajputs are drawn from various sub-castes like Thakars, Manhas, Chauhan Thakyal, Chandial, Charrak, Kamlak, and Chib, and the Muslim Rajputs draw their association with such castes as, Jarral, Malik, Domal, Thakyal, Khokhar, Janjua, Salaries, Bhatti, Feerozal Gakhar, Manial, Chib, Thakkar, and Kamlak etc. In all, the Muslim Rajputs form around 54 castes.<sup>27</sup>

#### b)Gujjars:

Common to both in India and Pakistan, the Gujjars follow the religions like Hinduism, Sikhism in India and Islam in Pakistan. The Hindu Gujjars owe their origin to the Kshatriya Varna in Hinduism, and the Muslim Gujjars to a Potwari tribe in India and Pakistan. Historically, the Gujjars are associated with the Rajput clan of Rajasthan and Gujarat. However, in Jammu and Kashmir, the Gujjars are mainly concentrated in Rajouri and Poonch Districts, <sup>28</sup> followed by Baramulla, Kupwara, Anantnag, Udhampur and Doda. They follow Islam notwithstanding their Rajput lineage. Most of them in Poonch region, pursue agriculture and cattle rearing, and are usually nomads and wander from place to place in search of food for the family and cattle. <sup>29</sup> Some of them have choosen to settle and conduct agriculture as a perennial source of sustenance. They are divided into innumerable sub-castes. <sup>30</sup> However, majority of

Muzammal Hussain Malik, "Social Structure and Perception of Regional Disparities," *Epilogue*, Jammu, May 12, 2010.

<sup>&</sup>lt;sup>27</sup> Tarikh-i-Aqua'mi Poonch, p.12

Muzammal Hussain Malik, "Social Structure and Perception of Regional Disparities," *Epilogue*, Jammu, May 12, 2010.

Based on interview with elderly people of Poonch and its surroundings villagers in June 2011 and 2012 respectively.

Information carried from District Profile Poonch on June 6, 2012.

them are, Dhakkars, Khatanas, Badanas, Soods, Paswals, Kalass, Benths, Bijrans, Chauhans, Chechees, Sangos, Ranas etc. from Rajasthan and Gujarat.<sup>31</sup>

#### c)Kashmiris:

The term Kashmiris refers to the natives of Kashmir who speak Kashmiri language. However, in district Poonch, Kashmiris speak both Kashmiri and Pahari languages, <sup>32</sup> while as in Rajouri district they speak Kashmiri language alone. In view of their historical bonds and genealogical proximity, they regularly visit Kashmir's capital Srinagar. Most of them are concentrated in Thannamandi Tehsil of District Rajouri and Bufliaz, Chandhimarh and Loranmandi in District Poonch, the adjoining mountain areas of Kashmir valley. Many of them were traditional manual labourers living thereby in extreme poverty. Their history of conversion from Hinduism to Islam rhymes with religious transition in the Kashmir Valley as a whole. Having no caste barriers they inter-marry with the people of their common faith, and are, by and large, open minded, hospitable and accommodative. Major castes among them are that of Bhats, Mirs, Khawajas, Bhandayss, Maghrays, <sup>33</sup> Khans, Kandrus, Ittos, Muttoos and Sheikhs. Though there are 130 castes, yet only few of them exist in the area under discussion.

#### d)Other Communities:

Other communities of Poonch district are comprised of Sayyids,<sup>34</sup> Qureshis, Mughals, Pathans and Sheikhs, all said to be of foreign origin and designated by the word 'Ashraf' meaning 'honoruable' in Arabic whereas, the term 'Ajlaf' in Bengali qualifies all those Muslims who engage in low-profile professions of barbers, carpenters, laundrymen, potters, tailor and rangrez.<sup>35</sup> The term 'Arzal' denotes the Muslim groups of Bhangis (scavangers), mochis (cobbler), etc.

<sup>31</sup> Tarikh-i-Aqua'mi Poonch, p.12

Based on the field study carried by the investigator in Jun 2011 1nd 2012 respectively.

<sup>&</sup>lt;sup>33</sup> *Tarikh-i-Aqua'mi Poonch*, p. 21.

<sup>&</sup>lt;sup>34</sup> *Tarikh-i-Aqua'mi Poonch*, p. 47.

Information carried from District profile Poonch on June 6, 2012.

However, in Poonch District except Sayyids, thirty-five per cent of the Muslim communities both from the 'Ashrafs' and the 'Ajlafis' communities use the title of 'Sheikh' with their name; hence, converts from lower Hindu castes to the socially elevated group of Muslin sheikhs.<sup>36</sup> However, they continue to profess their original occupations with out-dated techniques, and are in most cases, poor. The Hindus and Sikhs form other social groups of the remote and hilly districts of Poonch. They are used to peculiar family pattern, marriage customs and rituals which are different from rest of state.

#### **Family and Marriage Pattern:**

The family pattern in Poonch is purely joint, male-dominated, traditional and orthodox notwithstanding certain sort of urbanization and industrialization. The reason is that the region is distantly located from the progressive world and most of the population is comprised of Paharis and Gujjars, who thrive on agriculture and cattle rearing, few are semi-nomads engaged in hard manual labour.<sup>37</sup> In whole Poonch district, the parental property is inherited only by the male members of the society. Further, they give preference to the male over to the female child birth.<sup>38</sup>

Marriage are usually endogamous and inter marriages are generally avoided exceptions apart. The rate of divorce is very low among the people in the area. Matrimonial disputes are settled by the village elderly and few cases are settled by the courts. Early marriages are preferred<sup>39</sup> due to mass illiteracy, orthodoxy, outcaste threat and other factors. Marriages are arranged through family interactions and just one wife is preferred by the male members for the whole life. Dowry system is very simple and it consists of buffaloes, cows, goats, sheep, spinning wheel and other domestic materials. Marriage bond are maintained in accordance with Islamic law and practices. The bride wear silver and only few of them are used to gold jewellery.

<sup>&</sup>lt;sup>36</sup> *Tarikh-i-Aqua'mi Poonch*, p. 17.

Muzammal Hussain Malik, "Social Structure and Perception of Regional Disparities," *Epilogue*, Jammu, May 12, 2010.

Information carried from District profile Poonch on June 6, 2012.

Based on interviews with K.K. Kapoor a Retd. Chief Education Officer Poonch on June 1, 2011.

#### a) Educational Scenario:

Educationally, district Poonch is backward as literacy is in fifties. The District has 1250 educational institution at primary level and 366 institutions at upper primary level. The level of dropouts at 10<sup>th</sup> level is quiet high and especially so among the female<sup>40</sup> due to poverty, orthodoxy, mass illiteracy and non availability of infrastructural facilities. In most cases, the children rear cattle and men perform as labourers to make a living.

#### b)Recreation:

Poonchi folk songs generally revolve round love stories, battle fields, customs, traditions, fairs, festivals and other rituals. The songs are represented by the characters like chann (the beloved), Kainchi (lover), sepahi (the policemen). Folk ballads speak of the bravery and heroism of the people of Poonch. Some folk ballads i,e jabtu, shamash, khan and nura are still echoed in the mountain ranges of Poonch.<sup>41</sup>

## **Socio-economic Profile of PAK Villages:**

#### a)Land Area:

The extent of Pakistan Administrated Kashmir (PAK) is 5134 square miles (13,297 square kilometers). It had two broad administrative divisions; Muzaffarabad and Mirpur comprising of eight administrative sub-divisions. Muzaffarabad division contained Muzaffarabad proper, Neelam, Bagh, Poonch, and Sudhanti, Mirpur, Kotli, Bimber districts. Its population was 2,973,000 in 1998 and 3,271,000 in 2002, of which 87.5 percent lived in rural and 12.5 per cent in urban areas. The population density was 246 persons per-square kilometer and the literacy rate was 55 percent in 1998 and 60 percent in 2002, which was higher than other parts of Pakistan.<sup>42</sup> The

Muzammal Hussain Malik, "Social Structure and Perception of Regional Disparities," *Epilogue*, Jammu, May 12, 2010.

Jammu and Kashmir: District profiles, 1998.

Official web site of the Govt. of Pakistan Administrated Kashmir, Facts and Figures section, [online].www.ajk.pk/site/index.php (Accessed on November15, 2012).

PAK had a very high primary school enrollment rate for both boys and girls, at over ninety per cent. 43

#### b) History, Culture, Ethnicity and Economy:

Mostly Muslims, the people of PAK have tribal clans (biradari). The biradari is the determinant of identity and power relationship. While Gujjars form the largest group, Sudhans constitute influential biradari in Bagh and Rawalakot subdivision of Poonch<sup>44</sup> district followed by Rajputs. Sudhans and Rajputs number, around half a million people and most of the politicians and leaders come from the same Sudhan and Rajput biradari.<sup>45</sup> The region also inhabits Mirpuri jats who claim their origin from Kashmir. They constitute a largest diaspora in Britain, the source of great back home remittances to Pakistan. It is for this reason that they have become quiet affluent in local politics. Sultan Mehmood Chaudhar'y rise to power in 1926 speaks for the great role of the Mirpuri in PAK politics alongside the Sudhans, Rajput, Gujjars and Jats.

The Gujjars, the largest social group, number around 8 lakh souls, and are distributed over the entire PAK regions. Rajputs and Sudhans<sup>46</sup> constitute 5 lakh souls each. While Rajputs are distributed throughout PAK, the Sudhans are mostly concentrated in Poonch and Sudhan dominated districts. Jats residing in Mirpur and Kotli districts number around 5 lakh souls. Other ethnic groups are formed of the Mughals, Douli, Sardars, Maldyal, Hoteel, Baig, Mirza, Mir, Banday and Chughtai, in Bagh, Abbaspur, Muzaffarabad and Neelum districts. They constitute about four lakh and fifty thousand souls in whole PAK. The Social organisation includes other communities such as Hindokawn, Turks, Tanoly, Durrani and the people of other

The website of the, *Ministry of Education, Govt. of Pakistan*, provides primary school enrollment figures for PAK (Accessed on November 15,2011).

<sup>44</sup> The other Kashmir, p.88.

There is a sound historical reason for the Sudhans to dominate local politics. They made the first attempt to wrest control of Kashmir from the Maharaja in 1947-48 and bring the state into Pakistan domain under the slogan "Kashmir banega Pakistan" (Kashmir shall become Pakistan).

<sup>&</sup>lt;sup>46</sup> Tarikh-i-Aqua'mi Poonch, p.12.

origin in Hazara region. The Kashmiris together with Shais, Pashtans, and Shungi are clustered in Neelam district.<sup>47</sup> The Arnyals or Ranyals, descendents of Jats are mostly in Mirpur and Bais, the Pahari speaking people are the immigrants from Kashmir and the Punjab.

The major ethnic groups are formed of Thakial, Rajputs, Chib, Dars (immigrants from Kashmir, speaking both Kashmiri and the Punjabi), Douli and Maldaiyal (descendents of Mughals or Mangals carrying surnames of Sardar and Khan), Gokhars (immigrants from Persia), Magrays (immigrants from Kashmir) and the Manhas (immigrants from the Rajputana). All such groups constitute the ethnosocial basket of Rawalakot in PAK.

The economy of the region is largely poor. This is why the per-capita income is between US\$ 185 and US\$ 200.<sup>48</sup> The economy is almost 88 per cent dependent on agriculture and forestry, despite low productivity and harsh climatic condition, and the rural income constitutes 4 percent of the total income and the rest comes from employment, business or remittances from trade.<sup>49</sup> The share of the industry in the total income is obviously insignificant. The unemployment rate was estimated between 35 and 50 percent <sup>50</sup> and the per capita income in Northern Areas was estimated at US\$ 120.<sup>51</sup>

Official web site of the Govt. of Pakistan Administrated Kashmir, Facts and Figures section, [online].www.ajk.pk/site/index.(Accessed on November 15, 2012).

Shankar Aiyar, "The Nation: Kashmir Economy", *India Today*, Delhi, India, October 14, 2002.

<sup>&</sup>lt;sup>49</sup> Govt. Pakistan Administrated Kashmir, "State Profile: Introduction", Official website, *http:// index* (Accessed on July16, 2012).

Govt. Pakistan Administrated Kashmir, "State Profile: Introduction", Official website, http://index (Accessed on July16, 2012).

Govt. of Pakistan, "Northern Areas of Pakistan Profile", Planning and development Department, Northern Areas, Gilgit, http://mail comsats.net.Pic/sfdp/areas\_and\_Population.htm. (Accessed on July16, 2012).

## Potential for Cross-LoC trade between (PAK) and (J&K):

#### a) Trade Potential:

Currently, there are hardly any quantitative estimates of trade potential between J&K and PAK. Further, no estimates are available about the investments or joint ventures across the LoC. Nevertheless, a rudimentary estimation is possible. Ten years ago, imports into J&K were almost four times higher than exports.<sup>52</sup> While industrial production has increased, the ratio has remained largely unchanged. Although no official trade figures for PAK could be obtained, it is imaginable that export potential of PAK is lower than J&K. A notional estimate for export potential from J&K to PAK could be viewed from the below given table.

Trade Statistics for Indian Administrated Kashmir (J&K) in US\$ million:

Year	Import	Export
1994-95	563.67	124.60
1995-96	687.07	149.30
1996-97	659.14	155.20

Source: Official Statistics released by J&K Govt. of India.

Although the entire exportable trade surplus of J&K with PAK is estimated at US\$ 155.20 million, the total trade potential could be around US\$ 310 million. That the J&K's trade export is on the lower side, is obviously because of conflict situation<sup>53</sup> and the fact that bulk of Indo-Pak trade is done through informal trade amounting to US\$ 544 million as per 2006 studies done in Pakistan. More importantly, the study ruled out previously held perception that the LoC near the Neelam valley was one of the major exchange points for India-Pakistan informal

Mooed Yusuf, "Exploring the Potential for Economic Development and Cross-LoC Collaboration In Jammu and Kashmir," *Pugwash Issue Brief*, Cardinal Press, Frederickburg, Virginia, Volume 5, July 2007, pp. 3-4.

Moeed Yusuf, "Exploring the Potential for Economic Development and Cross-LoC Collaboration In Jammu and Kashmir," *Pugwash Issue Brief*, Cardinal Press, Frederickburg, Virginia, Volume 5, July 2007, p.5.

trade (this would constitute inter-Kashmir informal trade). At the same time, it is held that India-Pakistan have a tremendous trade potential along the LoC in J&K and PAK. The J&K exports textile products, carpets, cricket bats, walnuts, walnut kernels, apricot nuts, almond, coriander, saffron, lentils, fluxes and chemicals, basic drugs, and sewing machines. PAK major export are apricots, rice, onion, garlic, and fertilizers. The craft industry is a major production component in the economy on both sides as well.<sup>54</sup> This suggests that the LoC trade is mostly done in local farm and cottage products.<sup>55</sup>

The above low-trade potential validates the abysmal economic condition on both sides of the LoC. Clearly, conflict in the region has "stifled economic opportunities, deterred private sector activity from taking off, and consequently left the economies largely dependent on primary goods production, with little exportable surplus." Consequently, there is an urgent need to optimize trade and enhances economic productivity under the current economic structures on both sides of the LoC, which would eventually led to higher exportable surpluses.<sup>56</sup>

Besides other things, this can be done by removing all tariff and para-tariff barriers to inter-Kashmir trade, through the regional and economic integration, and under the already existing South Asian Free Trade Agreement (SAFTA) framework.<sup>57</sup> It can begin with a preferential trade arrangement allowing cross-LoC duty free access of raw-material and value added goods of Kashmiri origin and thereby allowing all Kashmiri products to be traded free of duties above all

Moeed Yusuf, "Exploring the Potential for Economic Development and Cross-LoC Collaboration In Jammu and Kashmir," *Pugwash Issue Brief*, Cardinal Press, Frederickburg, Virginia, Volume 5, July 2007,p.5

Various studies have noted that can form the bulk of inter-Kashmir trade.

Moeed Yusuf, "Exploring the Potential for Economic Development and Cross-LoC Collaboration In Jammu and Kashmir," *Pugwash Issue Brief*, Cardinal Press, Frederickburg, Virginia, Volume 5, July 2007, p.5

Teresita C.Shaffer, "Kashmir: The Economics of Peace Building," Discussion Paper, Centre for Strategic and International Studies, South Asia program (with the Kashmir Study Group), December 2005.

considerations, excepting regulatory security mechanism. However, the pre-requisite for the two countries would be to establish border markets at designated points along the current bus/truck routes of Poonch-Rawalakot and Uri-Chakothi and other routes. The Kargil-Iskardu route is not a bad choice in future ensure economic interaction to an area that is essentially deprived of any commerce at present.<sup>58</sup>

Ideally, border markets, should serve as the centre of economic hub, where people from across the LoC are allowed to visit, an official stipulated travel documents to cross the LoC. Not only such border markets act as retail hubs, but also the converging points for trading farmers, craftsmen and others to meet and plan future business deals. This can instantly enhance interaction between cross LoC producers to gauge consumer preferences and specialized products, especially crafts and value-added goods. Moreover, border markets can meet the demand of the residents of J&K, besides facilitate tourism and people to people contacts on both sides of the LoC<sup>59</sup> and ensure market access for the rural poor. Currently, marketing of Kashmiri products and services is virtually non-existent<sup>60</sup> as these. Most of the exports are managed through individual contacts. The protagonist India-Pakistan support LoC trade for expediency rather than any strong will to promote it for the mutual benefits of the contested peoples of two parts of Kashmir.

Celeste le Rouex, "Strengthening Cooperation Across the Line of Control: Assessment of Areas for Further Inspection," *Pugwash Conference on Science and World Affairs*, concept note, July 21, 2006; V. Mohan Narayan, "Bus to Muzaffarabad from April 7," *Rediff News*, Mumbai, India, February 16, 2005, <a href="http://in.rediff.com/nws/2005/feb 16">http://in.rediff.com/nws/2005/feb 16</a> bus I.ht (Accessed on 16- 07-2012).

Moeed Yusuf, "Exploring the Potential for Economic Development and Cross-LoC Collaboration In Jammu and Kashmir", *Pugwash Issue Brief*, Cardinal Press, Frederickburg, Virgina, Volume 5, July 2007, p.6.

Celeste le Rouex, "Strengthening Cooperation Across the Line of Control: Assessment of Areas for Further inspection" concept note, July 21, 2006; V. Mohan Narayan, "Bus to Muzaffarabad from April 7," *Rediff News*, Mumbai, India, Feburary 16, 2005 (Accessed on July 16, 2012).

# **Chapter-III**

#### **Poonch-Rawalakot Road:**

# **Trade Organization**

Due to geographical proximity and overland connections, Kashmir was intimately related to Central Asia. These connections were facilitated by a large number of Silk Route offshoots that criss-crossed Kashmir from different directions. One such route, often frequented by traders and travellers, was Poonch-Rawalakot route. It was operational since ancient times, and was the shortest route from the capital Srinagar to PAK (Pakistan Administrated Kashmir) and Central Asia through the valleys of Poonch and Rajouri. Being situated on a plain space with little snows and slides, it was relatively safe and the easiest route till the Partition of Indian sub-continent in 1947. Such was its safety that in the event of the death of the ponies due to any climatic eventuality; the traders could easily take to any other sub-route for transportation of goods from Poonch. In fact, PAK wealthy merchants always preferred this route for trade in silver, gold, and other commodities, and employed, besides human labour, carts, bullock, horses, ponies and other pack animals for transportation over the Himalayas, Karakoram and Hindukush ranges. In a way, the said route was open round the year for trade between Srinagar, Poonch, Rawalakot,

Mushtaq A. Kaw, "Restoring India's Silk Route links with South and Central Asia across Kashmir: Challenges and Opportunities," *The China and Eurasia Forum Quarterly*, Central Asia-Caucasus Institute and Silk Road Program, Vol. 7, May/June 2009, p.60.

<sup>&</sup>lt;sup>2</sup> K. Warikoo, *Central Asia and Kashmir, A study in the Context of Anglo-Russian Rivalry*, New Delhi: Gian Publishing House, 1989, p.56.

Mushtaq A. Kaw, "Restoring India's Silk Route links with South and Central Asia across Kashmir: Challenges and Opportunities, "*The China and Eurasia Forum Quarterly*, Vol. 7, May/June 2009, p.60.

<sup>&</sup>lt;sup>4</sup> *Kashmir under the Sultans*, pp. 24-25

<sup>&</sup>lt;sup>5</sup> E.F. Knight, *Where the three Empires Meet*, London: Longman, 1893, p.48.

Muzaffarabad, Rawalapindi, Abbotaabad, and Central Asia.<sup>6</sup> Consequently, Poonch was the centre of *caravan* (moving traders) trade between PAK and Srinagar either over the Poonch-Tosh maiden or Poonch-Shopian (Mughal Route) regions.<sup>7</sup>

## 1. Commodity Structure:

The trade was of varied nature depending on law of supply and demand. However, the chief articles remained unchanged for centuries together. Alexander Cunningham<sup>8</sup> who visited the Valley after the Dogra occupation in 1846 gives a detailed account of articles imported into and exported from Kashmir to PAK via Poonch-Rawalakot route. The imports included shawl- wool, silver, gold, felts, tea, opium, Russian leather, velvets, coarse, turquoise, Khotanis carpets, coral, musk, tobacco, raisins and other dry fruits, ponies, and salt. The Kashmir exports comprised cotton, chintz, silk, shawls, brocades, opium, heron-plumes, turmeric and other Indian spices. Kashmir imported from Central Asia a certain quantity of stone and jade, textiles, gunny bags, corals, turquoise, silver, steel and iron utensils over the same route.<sup>9</sup> The details about the make and marketing potential of each commodity manufactured in Kashmir and transported across the Poonch-Rawalakot route are outlined below for simplification:

#### **Shawls:**

The Shawl manufacturing Industry is said to be "as old as the hills of the Kashmir." <sup>10</sup> But it had died practically during the later Hindu period. Its revival towards the close

<sup>&</sup>lt;sup>6</sup> P.N.K. Bamzai, *Kashmir and Central Asia*, Srinagar: Gulshan Books, 1980, pp.24-28.

Based on interview with K.K. Kapoor a Retd. District Education Officer, in Poonch on June 1, 2011

Alexander Cunningham, Ladakh, Physical, Statistical and Historical, New Delhi: Sagar Publication, 1977, p.291.

<sup>&</sup>lt;sup>9</sup> A. R. Rizvi, *The Balti: A Schedule Tribe of Jammu and Kashmir*, New Delhi: Gian Publishing House, 1993, p.4.

References are found in Hindu scriptures which point to its great antiquity. During the epic age, this industry is said to have been firmly established in the Kashmir valley, and "tradition has it that when Krishna went to Kauravas as a delegate from the Pandavas, the presents of Dhritrashtra to him included 10,000 shawls of Kashmir": *Census of India 1921*, Vol. XXII, pp.180-81.

of the 14<sup>th</sup> century A.D. is attributed to the great Sayyid Ali Hamadani. <sup>11</sup> But it was Zain-ul-Abidin who established it as a flourishing industry in the 15<sup>th</sup> century. Since then, shawl began to be exported to India and abroad. Because of this, Kashmir enjoyed a worldwide reputation for its beautiful shawls. Abu Fazl<sup>12</sup> and Bernier<sup>13</sup> made a special mention of Kashmiri shawls in their historical accounts; hence Kashmiri shawls formed an important export article of Kashmir to India, Central Asia, Tibet and China<sup>14</sup> across different routes, to which Poonch-Rawalakot was the one, if not the only one, route. <sup>15</sup> In the early 19<sup>th</sup> century, its demand increased manifold for it constituted the principal source of revenue to the Afghans, and was, as such, transported directly to Kabul for being low-bulk and high-value commodity. <sup>16</sup> From Kabul, different specimens of Kashmiri shawls were transported onwards on fabulous prices, <sup>17</sup> to Persia and Russia, <sup>18</sup> and onwards to Europe and Central Asia, indeed the great contribution of the Afghans to the shawl trade of Kashmir. <sup>19</sup> In

Sayyid Ali Hamadani, who visited the Valley in 85 Hijra during the reign of Sultan Qutub-ud-din (1374-89 A.D) is said to have encouraged the local weavers to manufacture this fine textile.

According to Abu Fazal, this industry achieved great strides under Akbar: *Ain-i-Akbari*, Eng. tr. Blochmann, Calcutta, 1927, Vol.1, p.98.

Bernier who visited Kashmir as a foreign traveller wrote in his travel account. "But what may be considered peculiar to Kachemira, and the staple commodity that which particularly promotes the trade of the country and fills it with wealth, is the prodigious quantity of shawls which they manufacture and which give occupation even to the little children." To Bernier, Kashmir was the birth place of shawls. Francois Bernier, *Travels in Mogul Empire*, (1656-58), Eng. tr. Archibald Constable, New Delhi: Atlantic Publishers and Distributors, 1990, p.22.

Mohammed Ishaq Khan, *History of Srinagar*, Srinagar: Aamir Publications, 1978, p.55.

<sup>&</sup>lt;sup>15</sup> Central Asia and Kashmir: A Study in the Context of Anglo Russian Rivalry, p.65.

G.M.D. Sufi, *Kashir Being a History of Kashmir from the Earliest Times To Our Own*, New Delhi: Capital Publishing House, 1949, pp.297-284.

Kashir Being a History of Kashmir from the Earliest Times To Our Own, p.77.

<sup>&</sup>lt;sup>18</sup> G.T. Vigne *Travels in Kashmir, Ladakh, Iskardoo and Countries Adjoining the Mountain Courses of the Indus and the Himalayan North of Punjab*, Vols I, New Delhi: Gian Publishing House, 1881, p.325.

<sup>19</sup> Kashir Being a History of Kashmir from the Earliest Times to Our Own, p.564.

Central Asia, Kashmiri shawls were presented to honoured guest, both civil and military, as a mark of esteem. <sup>20</sup> Importantly, fine specimens were exported to Europe on order. Captain Knight was immensely amazed by the make, design, and quality of Kashmiri shawls.<sup>21</sup> However, the common type of shawls was exported to Yarkand through Ladakh, <sup>22</sup> as Cunningham estimates their value to rupees 50.000, <sup>23</sup> whereas total production valued thirty-five lakh rupees by the year 1822-23, 24 though it is said to be between rupees 25,000 and 28,000 per annum. Arguably, therefore, the revenue for shawl trade exceeded the total land revenue as each shawl was stamped for duty at twenty six per cent, upon the estimated value.<sup>25</sup> The industry engaged 25,000 to 28,000 persons, <sup>26</sup> and earned lot of foreign exchange to the state. Its earnings were almost next to the land revenue. From 1862-70, its export averaged 25 to 28 lakhs of rupees per annum, <sup>27</sup> and the industry sequentially provided employment to thousands of people. 28 However, after the first half of the nineteenth century, 29 the shawl trade considerably dropped in value due to heavy taxation, government monopolies, scarcity of raw material, and the Franco-Prussian war of 1870A.D.Walter Lawrence reports that the Kashmiri weavers were seriously concerned about the fall out of the

<sup>&</sup>lt;sup>20</sup> Central Asia and Kashmir: A Study in the Context of Anglo Russian Rivalry, p.62.

<sup>&</sup>lt;sup>21</sup> Captain Knight, *Travels in Cashmere and Thibet*, Haryana: Vintage Books, 1989, p.84.

P.S. Jina, *Ladakh Past and Present*, New Delhi: Indus Publishing House 1996, p.33.

<sup>&</sup>lt;sup>23</sup> Alexander Cunningham, *Ladakh, Physical, Statistical, and Historical*, New Delhi: Sagar Publication, 1977, p.238.

<sup>&</sup>lt;sup>24</sup> Travels in Kashmir, Ladakh, Iskardoo and Countries Adjoining the Mountain Courses of the Indus and the Himalayan North of Punjab, p.325.

William Moorcroft and George Trebeck, Travels in India and Himalayan Provinces of Hindustan and the Punjab in Ladakh and Kashmir in Kabul Kundaz and Bukhara From 1819 to 1825 A.D, Vol II, New Delhi: Asian Educational Service, 1989, p.126.

The Valley of Kashmir, p.377.

<sup>&</sup>lt;sup>27</sup> Travels in the Himalayan Provinces of Hindustan and Punjab in Ladakh and Kashmir in Kabul, Kundaz and Bukhara from 1819-1825 A.D. Vol II, p.126.

<sup>&</sup>lt;sup>28</sup> The Valley of Kashmir, p.377.

<sup>&</sup>lt;sup>29</sup> Central Asia and Kashmir A Study in the Context of Anglo-Russian Rivalry, p.64.

Franco-Prussian War as the shawls had a greater demand from France. They burst into tears on hearing about the news of loss of war by France versus Prussia/Germany. Political disturbances in Central Asia also factored in the decline of the shawl industry in Kashmir, and it was aggravated by the great famine of 1877-79 in the Valley.<sup>30</sup>

The chief article of import from Ladakh, Yarkand, Khotan and Tibet having close relation with the economic life of Kashmiris, was *pashm* or raw wool<sup>31</sup> of a goat mostly found in high-elevated regions of Chan-tang, and the areas there around. Spacious Kashmiri shawls (*Tus shawl*) were made of the raw wool of which Kashmiri had a great demand in the international market. To meet the same, Kashmiri merchants imported it from Yarkand, Tufran and the countries of Chinese territories, Leh<sup>32</sup> and Chang-Thang region of Ladakh,<sup>33</sup> and, at times, through advance payments. They purchased it at Leh for eighty *plus* for a small rupee.<sup>34</sup> According to William Moorcroft, the supply of shawl wool was regulated by, ancient customs and engagements. By convention, its import from Yarkand was meant for Kashmir alone, and done otherwise, was punishable with confiscation of the whole lot of material. After its processing, Kashmiri shawls so weaved of it, were exported to India and Central Asia through different routes including Poonch-Rawalakot route.

#### Namdas:

The development of *namda* (felts) industry in Kashmir seems to have had taken place in the second decade of the last century.<sup>35</sup> Till then artisans of Kashmir were engaged

The Valley of Kashmir, p.375.

<sup>31</sup> Kashmir and Centre Asia, p.29

Travels in Kashmir, Ladakh, Iskardu and Countries Adjoining the Mountain Course of the Indus and the Himalayan North of Punjab, pp.126-127.

P.S. Jina, *Ladakh Past and Present*, New Delhi: Indus publishing House, 1996, p.325.

<sup>34</sup> H.W. Bellow, *Kashmir and Kashgar: A Narrative of Embassy to Kashgar (1873-74)*, New Delhi: Asian Educational Service, 1872, p.12.

The manufacture of namda was started in 1918 at Nawab Bazar by a a well known firm named Khawaja Garib Shah, Ahad Bhat after the name of its proprietors. *Census of India*, 1961, Vol.VI, p.23.

in the manufacture of Julie felts only. These felt rugs were originally manufactured in various towns and cities of Sinkiang chiefly in Kashgar and Yarkand, and were imported into Kashmir till very recent times. Later the artistic hands of the Kashmiri embroiderers turned it into a beautiful but cheap article of furnishing. It attracted the attention of the American importers and the trade assumed sizeable proportions before the Second World War. Later, the namda were begun to be manufactured in Kashmir as well, but could not come up to the quality of a Yarkandi numda. After the decline of the shawl trade the namda industry had become very lucrative to the Kashmiri merchants. Unfortunate, due to the Great war, the trade links with Central Asia broke apart and the industry received a great set-back in the process.

Other articles of import were carpets, blankets and furs. Yarkandi carpets were in great demand in the cities of India. The fur trade of Kashmir was to a great extent dependent upon the raw skins imported from Tibet and Sinkiang. Drugs like *kahruba*, *mumira* and *chobi chini* were also imported as gold and silver were.<sup>36</sup>

#### Carpets:37

The main credit of introducing the art of making carpets in the Valley in 1424 AD., goes to Zian-ul-Abidin, who brought experts and specialists from Persia,<sup>38</sup> Central Asia and Arabia to train local inhabitants. But in course of time this industry underwent a complete decline due to the localization of its pattern and designs. It was three hundred years ago under the governorship of Ahmad Beg Khan<sup>39</sup> (1614-18 A.D) that this art was reintroduced in Kashmir with support from Akhun Mulla

Kashmir and central Asia, pp.31 & 32.

The first historical carpet was taken away by Arabs in 637 A.D. from Sasanian Kings at Ctesiphen on Tigris. It was torn into pieces and distributed among chiefs as a mark of victory: S.N. Koul, *Kashmir Economics*, Srinagar, 1954-5, p.90.

The origin of carpets is said to be in Persia. From there, its craft reached Turkey where it flourished as a cottage industry: *Kashmir Economics*, p.90.

Ahmad Beg Khan was a Mughal governor, who governed the Valley from 1614-18 A.D under the Mughal Emperor Jahangir.

Hussain Rahnuma,<sup>40</sup> a Kashmiri. Since then this industry has flourished. With the advent of the Dogra rule (1846-1947), attempts were made to put strengthen this industry on a firm basis.<sup>41</sup> It received a fresh impetus when the Europeans entered the field of manufacturer.<sup>42</sup>

#### **Paper Machie:**

The art of paper Machie was introduced in Kashmir by Sultan Zian-ul-Abidin (1420 to 1470 A.D).<sup>43</sup> The paper Machie articles of Kashmir had good demand at Kabul, Lhasa, France and Central Asia. Other in articles demand were snuff boxes, pen cases (qalamdan) and trays. The pen boxes were of two kind's masnaddi (small) and farshi (large). The lamas of Lhasa kept a table overladden with a paper machie-made *qalamdan* called *sashka* to write there with sacred books.<sup>44</sup> During the 19<sup>th</sup> century, a number of French agents operated within the Valley for the trade of *pashmina* shawls and paper machie items. The shawls exported from Kashmir to France used to be packed in paper machie boxes and thereby, fetching high prices.<sup>45</sup>

#### Saffron:

Kashmir was also known for saffron production as it formed one among the important exports to Central Asia, Persia and Greece via Poonch-Rawalakot and other traditional routes. Being lucrative enough, the state held its trade monopoly as it was beneficial for different purpose. Whereas the Tibetan and Chinese monks used it for

Akhun Rahnuma was a Kashmiri, who went to perform the Haj Pilgrimage via Central Asia. On his way, he visited Andijan in Persia, where carpets were manufactured. He learnt this craft there, and later taught it to the Kashmiris: *Kashir Being A History of Kashmir*, Vol II, p.571

<sup>&</sup>lt;sup>41</sup> A Handbook of Jammu & Kashmir State, 1924, pp.51-52.

Danvergue was the first foreigner who established his own factory in 1876. He was soon followed by Messer C.M. Hadow & Co., who started another factory in 1890. So both these factories dominated almost the entire industry in the state. Messrs W. Mitchel & Co. also entered this field when they purchased the factory from Danvergue: R.K. Bhan, *Economic Survey of the Carpet Industry in Kashmir*, 1928, p.1; *The Valley of Kashmir*, p.377.

Pandit Anand Koul, Geography of Jammu and Kashmir State, 1979, pp.69 & 71.

<sup>&</sup>lt;sup>44</sup> P.N.K Bamazi, *Kashmir and Central Asia*, New Delhi: Gulshan Books, 1980, p.34.

www.heritage of kashmir.org (Accessed on October 10, 2012).

daily worship, it was used as a condiment and flavouring agent in cooking in Kashgar and elsewhere. 46 Its export quantity varied from time to time. However, the average supply was estimated at twenty *maunds*, 47 or 649 lbs valuing Rs.12,800<sup>48</sup> at forty rupees per-ser. 49

## **Kuth (Aromatic Costus):**

Kuth for which the chief market was China was exported from Kashmir in large quantity. The Tibetans and the Chinese used it as the chief ingredient in various incenses and medicines. It was perhaps one of the medicinal plants which Hiun Tisang particularly mentions among the Kashmiri products.<sup>50</sup> It was grown at an elevation of 8,000 to 9,000 feet. The root has a scent like orris with a slight blend of violets. In 1864, the Kashmir state realized nearly Rs.90,000 from the sale of this root, major portion of which was exported to China via Calcutta. In 1912, the Kashmir government had proposed to send a senior official to China to study the use and marketing of Kuth in China so as it plan its cultivation accordingly in the Valley.<sup>51</sup> But this was not agreed to by the British Resident for unknown reasons. Subsequently, however, its demand increased as is visible from the given table:

<sup>46</sup> Kashmir and Central Asia, p.33.

<sup>&</sup>lt;sup>47</sup> Unit of weight in Indian sub-continent equal to 37 Kg/Ib.

<sup>&</sup>lt;sup>48</sup> Ladakh, Physical, Statistical, and Historical, p.247.

<sup>&</sup>lt;sup>49</sup> A unit of weight equal to one Kilogram.

<sup>&</sup>lt;sup>50</sup> Si-Yi-Ki, Eng.tr. Samuel Beal, Delhi: Motilal Banasidas Publications, 1981.

<sup>&</sup>lt;sup>51</sup> Kashmir and Central Asia, pp.33-34.

Table:1

Showing the year-wise export of Kuth for the five Samvat years 1990-95.<sup>52</sup>

Yeas	Quantity in Maunds	Value in Rupees
1990-91	2,502	3,75,300
1991-92	2,458	3,83,530
1992-93	3,256	4,3,644
1993-94	3,254	5,01,951
1994-95	1,851	2,81,471

#### Silk:

In regard to the origin of the silk Industry, an authoritative date remains untraced. Some hold that it had an independent birth during the Vedic times. Others say sericulture was imported from Central Asia where its art had actually reached from China.<sup>53</sup> However, the mention of this stuff was formally made during the reign of Sultan Zain-ul-Abidin. According to Mirza Haider Daughlat, "among the wonders of Kashmir are the number of mulberry trees, cultivated for the leaves to feed the silk worms there on".<sup>54</sup> The silk thread was extracted from silk worms which were later spun into silk fabric. For its delicacy, Kashmiri silk was in great demand in Damascus, Bokhara and Khotan for onward transmission to West Asia and Europe through the Oxus Hyrcanian and the Black Seas.<sup>55</sup> During Pathan rule (1753-1819),

Trade Report of Jammu and Kashmir State 1992-95 (1935-38), Department of Industries and Commerce, Jammu: Ranbir Governments Press, 1940, p.18.

<sup>53</sup> *Kashmir Economics*, p.70.

Mirza Haider Dughlat, *Tarikh-i-Rashidi*, Eng. tr. E. D. Ross, Delhi: Renaissance Publishing House, 1986, pp.245 & 425.

<sup>&</sup>lt;sup>55</sup> Geography of Jammu and Kashmir State, p.82.

Until 1868, this industry was in a disorganized state.<sup>57</sup> It was in 1870-71, during the reign of Maharaja Ranbir Singh, that it was made a government enterprise,<sup>58</sup> for which modern machinery was imported from Europe. In 1873, cuttings of China mulberry were obtained and planted with satisfactory results and, in 1874, a few crates of eggs were obtained from Japan in order to hybridize the foreign breed with the indigenous silk worms.<sup>59</sup> But unfortunately owing to the absence of the skilled supervision and the diseases of 1878, the silkworm eggs were destroyed to the great loss of the silk industry.<sup>60</sup> Subsequently, however, the industry was restored and the five varieties of silk fabric were exported to the outer world through different transmission channels, of which one was the Poonch-Rawalakot route.

#### Salt:

Salt was of great importance to the Kashmiris both for self-consumption and a nutrient to the cattle. However, it was not produced in the Valley, and was, as such, imported from the Punjab, Rawalpindi and Gujarat in Pakistan and Tibet via Pir Panjal, Poonch-Rawalakot and other routes. Due to the World War I, its import stopped causing great hardship to the people of Kashmir.<sup>61</sup> To address the same, the State improved the means of transportation and abolished heavy duty on salt.<sup>62</sup>

Travels in the Himalayan Provinces of Hindustan and the Punjab, in Ladakh and Kashmir, in Peshwar, Kabul, Kundaz and Bokhara from 1819-1825, Vol.I, p.124.

<sup>&</sup>lt;sup>57</sup> The Valley of Kashmir, p.376.

<sup>&</sup>lt;sup>58</sup> Charles E. Bates, A Gazetteer of Kashmir and the adjoining Districts of Kishtwar, Badarwah, Jammu, Nowshara, Punch and Valley of Kishan Ganga, Srinagar: Gulshan Books, 2005, p.64.

M. Ganjoo, *The Textile Industries in Kashmir*, Delhi: S. Chand & Co, 1945, p.155.

<sup>60</sup> Imperal Gazetter of India, Vol.XV, p.128.

<sup>61</sup> Kashmir Under The Sultans, p.245.

<sup>62</sup> The Valley of Kashmir, pp.393-395.

# 2. Merchant Community:

Although separated from the rest of India by high mountains, <sup>63</sup> Kashmir maintained close trade relations with the neighbouring countries. The trade was conducted with different parts of Asia: Patna, Banars, Bengal, Lhasa, Katmandu, Sinkiang, Peking, Bhutan, and the Coromondal Coast.

Broadly speaking, the merchant community comprising both moving and settled traders, belonged to different ethnic groups: Russians, British, Indian, Chinese, Badakshanis, Afghans, Kashmiris, Kanjuts, Mongols, Iranis, Armenians and all those from Tien Shan, Khokand, Bukhara and Baltistan. However, the major ones were grouped under the terms of "Andijanese" and the "Kashmiris". However, the major ones were grouped under the terms of "Andijanese" and the "Kashmiris". However, the major ones were grouped under the terms of "Andijanese" and the "Kashmiris". However, the major ones were grouped under the terms of "Andijanese" had the "Kashmiris". However, the major ones were grouped under the terms of "Andijanese" had latter traded at Khotan and Yarkhand. Nevertheless, the Kashmiris, the Andijanese were relatively very enterprising. Nevertheless, the Kashmiris were the rich merchants who lived in their fine houses situated on the Jhelum in Srinagar and Baramulla. Hindustani merchants had also their business establishment numbering around eighty across the Valley. But after the Afghan occupation of Kashmir, they wound up their business for fear of life and property, whose advantage went to the Kashmiris. Thus the Kashmiris, Kokandis, Bukharans, and Badakshanis had trade cooperation with the *Begs* (local chiefs) in

<sup>63</sup> Cultural and Political History of Kashmir, p.505

<sup>&</sup>lt;sup>64</sup> Kashmir and Kashgar: A Narrative of the Embassy to Kashgar (1873-74 A.D), pp. 311, 386-87.

Andijan being the name of a city and of a region in the Farghana valley which was under the Kokand Emirate.

Travels in the Himalayan Provinces of Hindustan and Punjab in Ladakh and Kashmir in Kabul, Kundaz and Bukhara from 1819-1825, Vol I, p.452.

Mushtaq A. Kaw & Aijaz A. Bandy, Central Asia: Introspection, Srinagar: Centre of Central Asian Studies, University of Kashmir, 2006, p.55

<sup>&</sup>lt;sup>68</sup> C. Wessely, Early Jesuit Travellers in Central Asia (1603-1721), New Delhi: Asian Educational Services, 1922. p.150.

<sup>69</sup> Kashmir Under the Sultans, p.226.

Atishahr region in modern Xinjiang and other parts of Central and South Asia. Consequently, the capital city, Srinagar, of Kashmir bubbled with the presence of Turkish, Tibetan, Indian and Kashmiri merchants. They had rest houses as well as residential houses in Kashmir.<sup>70</sup> Whereas the British, Kokandi, Russian and the Chinese merchants operated from Kashgar,<sup>71</sup> the Afghans, Kashmiris,<sup>72</sup> Hindustanis and Chitralis operated from Yarkand<sup>73</sup> and Khotan. They did so either independently or through partnership with a group of merchants.

The Kashmiri merchants, spread all over South and Central Asia,<sup>74</sup> brought *pashm* (raw wool) to Srinagar, though a few Chinese and *baqals* (Tibetan traders) were also involved in the said trade. They disposed of the *pashm* (raw wool) to the *pashm* farosh (wool retailer) of the Valley.<sup>75</sup> Many of the big Kashmiri traders who had establishments outside Kashmir,<sup>76</sup> conducted their business through their agents. However, for the security reasons, the agents were at times if not always bound to, put their families with the concerned merchants as a guarantee against any mischief, The people of Poonch often acted as the agents of the traders dealing with the Punjab trade over the Pir Panjal range. Evidence exists about the trading activities of Hindu traders with Cossacks towards the north-west of Caspian Sea, the Afghans with their Armenian and Russian counterparts in Kashmiri Shawls valuing Rs 17000-34000,<sup>77</sup> Khivan, Afghan, Persian and the Kashmiri traders. The essential difference between

<sup>70</sup> The Valley of Kashmir, p.247.

Kashmir and Kashgar: A Narrative of the Journey of the Embassy to Kashgar (1873-74), pp.386-87.

Each trader who came from Ladakh was reckoned as a Kashmiri and was put under a Kashmiri Arkal or consul: Bayard Taylor, *Travels in Cashmere, Little Tibet and Central Asia, (1876-81),* Delhi: Asian Educational Service, 1989, p.216.

<sup>73</sup> Travels in Cashmere, Little Tibet and Central Asia (1876-81), p.12.

<sup>&</sup>lt;sup>74</sup> *Cultural and Political History of Kashmir*, p.507.

Janet Rizvi, *Trans-Himalayan Caravans*, USA: Oxford University Press, 2004, pp.57-58.

P.S. Nazaroff, *Moved from Kashmir to Kashgar*, Srinagar: Gulshan Books, 2008, p.14.

Gulshan Majeed (ed.), Emergence of Central Asia Perspective, Srinagar: Jay Kay Book House, 2008, p.12.

local traders and long-distance caravan traders was that whereas the latter symbolized a developed urban activity the former was characteristics of a subsistence activity, based on a variety of pastoral and agricultural products. The long distance trade was organized with a large initial capital outlay and well-developed organized infrastructure so as to earn optimum benefits.<sup>78</sup>

The merchant community that conducted trade across the Poonch-Rawalakot route were Hindus, Muslims and the Sikhs presupposing communal harmony in trade relations. W.C.Archer, the author of *Indian Paintings from the Punjab Hills* writes that during the reign of Raia Rustam Khan Rathore (1760-1789 A.D) the Poonch town was dominated by Hindu traders followed by the immigrant Muslims from the neighbourhood countries. 79 The Hindu Raja was entitled to certain taxes from the Muslim traders of the area. 80 He also conducted the personnel trade through his agents and sometimes went on business trips to other parts of PAK especially Kotli, the big Centre of trade from PAK side.<sup>81</sup> The traders always remained loyal to the King for the protection of commodities and help amid eventualities. However, most dominant merchant communities of Poonch-Rawalakot were the Bandeys, Mirs, and Ganais. 82 Before 1947, they had trade links with Kotli, Mirpur, Hajeera, Muzaffarabad in PAK, where they had their own agents, shops, and business houses. Mandi the ancient trade centre of Poonch, 83 has currently transformed into a Tahsil comprising 38 villages and 32 Panchyats, besides three townships of Mandi, Loran, and Swejan. This township was created by the traders of Poonch, Rawalakot and other parts of PAK for trade with Indian and Kashmiri counterparts across Poonch-

<sup>&</sup>lt;sup>78</sup> *Trans-Himalayan Caravanas*, pp.14-15.

W.C. Archer, *Indian Paintings from the Punjab Hills*, London: 1973, p.295.

<sup>&</sup>lt;sup>80</sup> K.D. Mani, "Rajouri and Poonch: Identifying Early Warning Signals and Addressing New Challenges", *IPSC Issue Brief*, No 148, New Delhi, April 2010, p.2.

Based on interview with Local residents of Poonch and its surrounding villagers on June 1, 2011.

Based on interview with K.K.Kapoor a Retd. District Education Officer at Poonch on June 3, 2011.

Mandi Ancient trade Centre of Poonch: *Daily Excelsior*, Sunday Magazine, Jammu, December 5, 2010.

Toshmaiden and Mughal Routes.<sup>84</sup> However, Mandi was the most convenient trade centre situated along the above routes, and was relatively safe for movement of traders on horseback across the vulnerable mountainous range. The name Mandi itself defines a trading township in local language.<sup>85</sup>

On the other side of LoC in Rawalakot PAK, the Hindu and Muslim communities conducted trade through an organisation called *Ta'jira'n-i-Rawalakot* the membership was by registration. Reference the most important trade centre dealing in food grains and wool was Kotli, having a population of 4,000 persons with 700 houses. Among these, 500 houses belonged to the trading community, and 100 were immigrants from Poonch and other parts of PAK. Since the traders were on business trips for months together they as such took their families with them and created their own diaspora outside their native place. The Poonchi Mohalla in Kotli suggests the immigration of the people of Poonch (J&K) in Kotli (Rawalakot Pakistan). Because of trading activities of different religious groups, Kotli, the district headquarters of Mipur, had Temples, Mosques and Gurduwars for the Hindu, Muslim and Sikh traders respectively. Respectively.

### 3. Taxes:

Besides land revenue, taxes on trade were the important source of revenue to the Kashmir government. Each trader was required to pay custom duty<sup>88</sup> on articles of import and export at the custom posts which were known as Rah-Dari.<sup>89</sup> In 1834, the Valley was dotted with twenty-seven such custom posts which later increased to forty

Based on interview with elderly People of Poonch and other villagers on June 3, 2011.

Mandi Ancient trade Centre of Poonch: *Daily Excelsior*, Sunday Magazine, Jammu, December 5, 2010.

Daily Excelsior, Sunday Magazine, Jammu, J&K, India, 13 March 2011.

Based on interview with Mohd Akbar a local resident of Hajeera (PAK) on June 5, 2012.

Custom duty or tariff was levied by the concerned governments upon goods once they crossed the national boundaries.

Guardian of passes made every effort that duty was realized from every trader: *The Valley of Kashmir*, p.55.

Chapter III

two by 1837. Generally, they were located on the main trade routes connecting Kashmir with the outer world. 90 However, in 1866 Kashmir government levied and collected such taxes both in proper Srinagar as well as in the outskirts at Kohala Bridge either in cash or by Hundi. 91 The duties so levied at internal customs houses were less than those levied at the frontier. The collections, as such, varied from commodity to commodity, and the state earned twelve lakhs on shawl exports, whereas duty on salt trade was fixed at the rate of a rupee per-man (unit of weight), and the annual income was estimated at rupees 2000. 92

The Poonch Govt. also imposed taxes on the trading commodities exchanged in Rawalakot, Hajeera, Kotli and Rawalpindi and other parts of PAK. However, the traders had to pay two types of taxes on entering and exiting the Poonch state. The magnitude of taxes was relatively heavy as each trader having more than eight horse loads of goods had to pay one horse load as tax to the state. <sup>93</sup> However, Raja Rustam Khan (1760-1789 A.D) regulated the taxation policy in Poonch. He issued Farman's (royal orders) whereby each horse load was subject to tax either on entering or exiting the Poonch principality. The following table shows the rate of customs duty levied at the Poonch fort.

D.C. Sharma, *Kashmir under the Sikhs*, Delhi: Seema Publications, 1983, p.257.

<sup>91</sup> Hundi was a draft demand.

<sup>&</sup>lt;sup>92</sup> Cultural and Political History of Kashmir, pp.641-642.

Based on interview with K.K. Kapoor, a Retd. District Education Officer Poonch on June 6, 2012.

Imports-Exports Customs Duty structure in Poonch.94

Quantity	Rate of custom duty in Rupees.
Per horse load shawls	14
Per horse load dry fruits	1
Per horse load tobacco	11
Per horse load peshwari shoes	25
Per horse load carrying beans (rajmah)	7
Per horse load carrying paper machie boxes	17
Per horse load carrying opium	27
Per horse load carrying namdas (felts)	15
Per horse load carrying spices ( ginger, turmeric)	20
Per horse load carrying salt	7
Per horse load carrying woolen cloth	9

The table reveals high customs duty on shawls for being lucrative and, dependent upon the supply of shawl wool from Central Asia. 95 On the contrary, the local agricultural exports of Poonch were subjected to relatively less range of duties payable Rawalakot check post. 96

Although major chunk of the people's income went to the Poonch Rulers through taxes, duties, fines, and forced labour, the region was nonetheless rich in

Based on the field study conducted by the investigator from June 15- July 15, 2011 and 1-15 June, 2012.

<sup>&</sup>lt;sup>95</sup> A Gazetteer of Kashmir, pp. 90-91.

Based on the field study conducted by the investigator from June 15- July 15, 2011 and 1-15 June, 2012.

resources and active in trade.<sup>97</sup> Needless to mention, Poonch rulers levied taxes, and duties even on household e.g. cattle, utensils, hearths, windows, crops, agricultural tools and wives of the inmates.<sup>98</sup>

# 4. State Policy:

The state was, by and large, well disposed to promoting trade and commerce for boosting economy. 99 In particular, the contribution of Sultan Zain-ul-Abidin to the regional trade was worthwhile during the medieval period. He built sarais (rest houses) for the accommodation of traders and travelers in Srinagar. During the 19th-20th century, the Dogras (1846-1947 A.D), sent to and received many missions from Central Asia, Kashgar, Khokand, Yarkand etc. Particularly, they promoted trade, diplomatic and political ties with the short-lived kingdom of Kashgar under Ataliq Ghazi, and exchanged ambassadors from both sides of Kashmir border. Accordingly, a trade agreement was signed between Kashmir and Kashgar government. 100 The Kashgar government had done so in view of its severed relations with China, stoppage of all Chinese goods into Kashgar and the harmoniously growing relations with British government to which Dogras were the suzerains. 101 Simultaneously, Maharaja Ranbir Singh, under a special dispensation, abolished all transit duties on merchandise passing to and from Central Asia to Kashmir over Ladakh route. 102 Another Dogra King, Ghulab Singh (1792-1857 A.D) sent Mr. Koodus Yatoo, a Kashmiri trader to Yarkand for ensuring the protection of traders on the route between Kashmir and

Based on interview with the elderly people of Poonch on June 8, 2012.

Based on the interview with K.K.Kapoor, a Retd. Chief Education Officer Poonch on June 9, 2012.

<sup>&</sup>lt;sup>99</sup> Kashmir and Kashgar: A narrative of the Journey of the Embassy to Kashgar (1873-74), pp.259-60.

Fida. M. Hassanan, *Kashmir the Focus of Asiatic Civilization*, Srinagar: Gulshan Books, 2007, p.258.

<sup>&</sup>lt;sup>101</sup> K. Warikoo, *Himalayan Frontiers of India: Historical Geo-Political and Strategies Perspectives*, New York: Routledge, 2009, p.6.

<sup>&</sup>lt;sup>102</sup> Centre Asia and Kashmir: A Study in the Context of Anglo-Russian Rivalry, p.6.

Yarkand. Similarly, Ranbir Singh sent Mr. Aziz Joo, a Munshi to the Yarkand ruler to promote trade. 103 Vide a bilateral treaty between Maharaja Ranbir Singh and T. D. Forsyth in April 1870, Kashmir government allocated yearly sum of rupees 15000, for maintenance of roads and *sarais* along the essential trade corridors. 104 In the late nineteenth century, an extra grant of rupees 5000 rupees earmarked by the Kashmir Durbar for construction of *sarais*: Srinagar alone had two big *sarais*. 105 In addition, godowns, stables, *dakbanglows* and inns were established at various stages of the route for shelter and supplies of grain and forage to the caravans and ponies at subsidized rates. It was known as *Res* system under which 15 to 20 ponies would always be available at each stage for use by the traders, public servants and travelers under the official patronage. The state of Jammu and Kashmir made special arrangements for the construction of roads like Jhelum valley and Gilgit Roads that greatly boosted trade between the Punjab, Jammu, and Central Asia. 106

The Rajas of Poonch played an important role in promoting the region's trade relations with Rawalakot, Kotli, Mirpur, Muzaffarabad, and Rawalpindi through the age-old transit route of Poonch and Rawalakot. For its promotion Rustam Khan constructed Poonch Fort in 1760,<sup>107</sup> which had taken 17 years to complete and was later renovated by Moti Singh in 1852. Whole administration was carried out from the Poonch Fort, which had separate department meant for trade transactions and overlooking of the Poonch-Rawalakot transit route. Each trader was required to register himself/herself in the same Department, and, in return, the Rajas provided

R.L. Hangloo, *Agrarian System of Kashmir* (1846-1889), New Delhi: Common Wealth Publishers, 1995, p.144.

<sup>104</sup> Centre Asia and Kashmir A Study in the Context of Anglo-Russian Rivalry, p.2.

The *sarai* or an inn was a storage place for goods, and was thus a strong social and economic centre for traders of north India and Central Asia. In the early 20<sup>th</sup> century, three such *sarias* existed at Leh: Jacqueine Fewkes, *Trade and Contemporary Society along the Silk Road: An Ethno-History of Ladakh*, New Delhi: Taylor and Francis, 2008, p.89.

M. L. Kapoor, Socio- Economic History of Jammu and Kashmir1885 to 1925 AD, Srinagar: Jay Kay Book House, 1992, p.337.

<sup>&</sup>lt;sup>107</sup> Records of Divide, Kashmir Life, Srinagar, J&K, India, April 30, 2010.

him/her security of life and goods. The records pertaining to imports and exports and trade hazzlas and facilities were also maintained in the same Department. At times, the Department maintained a separate godown for the preservation of goods. <sup>108</sup> In order to promote trade and traders, Raja Moti Singh had directed the people to help the traders amid the rainy reason and provide them goods and shelter, if so needed. The ruins of the trade *sarais* in Poonch speak for the state patronage to the trading community. <sup>109</sup> These sarais at Mandi were meant for the relief of Poonch as well as Rawalakot traders. Some of the sarais were built by the rulers themselves along the Poonch-Rawalakot route. <sup>110</sup> The sarais were properly guarded by a special force paid by the state itself for protection against the thefts. <sup>111</sup>

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Based on interview with K.D. Mani a local resident of Poonch and Editor of Peace Magazine, on June 2, 2012.

Based on interview with the local residents of Mandi (Poonch) on June 3, 2012.

<sup>&</sup>lt;sup>110</sup> Based on interview with Mohd Akbar a resident of Hajeera (PAK), on June 9, 2012.

Based on the interview with traders of PAK near the Rah-i-Milan Bridge on June 9, 2012.

#### **Chapter IV**

#### Closure of Poonch-Rawalakot Road

#### **Costs and Complications**

#### 1. Pre-and Post-Partition Scenario:

As defined earlier that Silk Route is a transcontinental highway spanning the great civilizations of China, India, Central Asia, Middle East and Europe. Its several offshoots traversed Kashmir across Himalayas, Pamir's and Hindukush. Consequently, Kashmir was connected to the Chinese and erstwhile Russian parts of Central Asia via Ladakh, Gilgit Muzaffarabad and other micro and macro level old-transit routes. Before Partition of the Indian sub-continent in 1947, all such routes and sub-routes were marked for free trade and traffic.<sup>1</sup>

One of the segments of the aforesaid route structure across Kashmir was the Poonch-Rawalakot route that remained open throughout the year both for *Caravans* (moving traders) and foot passengers. This route was an outlet for the people of Poonch and Rajouri to Rawalakot, Rawalpindi, Muzaffarabad, Peshawar, and onwards to Central Asia. This route had always great strategic and commercial importance for the Valley which continues till date. Infact, it has assumed extra-ordinary importance with the latest engagement of India and Pakistan in peace process for conflict resolution of long pending issues. It was invariably traversed by merchants, travelers and missionaries since ancient times.

To be precise, all transmission channels effortlessly sustained Kashmir's connections with the outer world up to 1947. However, after these, connections freezed due to "Partition" of the Indian sub-continent, and emergence of two separate political identities of India and Pakistan on its debris in 1947. With that, "Greater

Mushtaq A. Kaw, "Restoring India's Silk Route with South and Central Asia across Kashmir Challenges and Opportunity", *The China and Eurasia Forum Quarterly*, Central Asia-Caucasus Institute and Silk Road Studies programme, Vol.7, May-June 2009, P.60.

Kashmir", hitherto an independent political entity, fragmented into what presently constitutes India Administrative Kashmir called Jammu and Kashmir State (J&K) and Pakistan Administrative Kashmir (PAK). The development was quite unpropitious for it forged an artificial Indo-Pakistan border line: Line of Actual control (LoC) in 1949, presently guarded by huge number of army personnel from both sides, thereby involving them immense defence expenditure at the cost of the works of public utility and human security.<sup>2</sup>

The said development also sealed off traditional borders, for free mobility of men, material, ideas, and cross-cultural and ideological fertilization <sup>3</sup> Further it divided families of common ethno-cultural descent and brought India-Pakistan face to face with each other during 1940s, 1960s 1970s and the 1990s wars and forged in them mutual ill-will, mistrust and heart-burning among sine the partition. Instead of addressing to poverty, unemployment, illiteracy, crime and the like social problems, both engaged in building their military capabilities and enhancing their respective defense expenditures: lately India hiked it by 34 percent worth 1.4173 trillion Indian rupees <sup>4</sup> and Pakistan increased its defense budget by 15 percent in 2009 despite her insignificant growth rate of 3.3 percent GDP. As a result, people to people contacts seized, trade ties condensed, families of same-ethno cultural origin got divided and India's direct links with Central Asia across Kashmir was blocked.<sup>5</sup>

The separation line caused a disconnection in organic unity of Kashmiri people so vital to trading within the state and with the neighbourhood. The economy

Mushtaq A. Kaw, "Border Politics in South Asia: A case study of India, Pakistan and Afghanistan," Eurasia Border Review, Hokkaido University, Volume 1, No.1, spring 2010, p.49.

<sup>&</sup>lt;sup>3</sup> A. Rahman (ed.), *India's Interaction with China, Central and West Asia: History of Science, Philosophy and Culture in Indian Civilization*, New Delhi: Oxford University Press, 2002, pp.22-24.

Mohammad Ashraf, "Peace in South Asia," *Greater Kashmir*, Srinagar, J&K, India, February 22, 2009.

Mushtaq A. Kaw, "Restoring India's Silk Route Link With South and Central Asia across Kashmir; Challenges and Opportunities," *The China and Eurasia Forum Quarterly*, Volume 7, No.1 February 2009. pp. 59-60

was run on "artificial respiratory mechanisms" by the controlling administrations. <sup>6</sup> The economy of Indian-controlled Valley was worst-hit, and the slogans such as "Kashmir ki mandi, Rawalpindi" (Rawalpindi is the natural market for Kashmiris produce) emerged during the August 2008 mass agitation following Amarnath row. Pakistan-Administrated Kashmir also remains resource-constrained because of separation from the heartland of the state. It deterred the Foreign Direct Investment (FDI) by international donors in the private sector of J&K and PAK. Consequently, poverty is widespread and so is unemployment. Human Development indexes are lower than neighbouring areas. Political debate overrides discussion of economic losses and suffering of the people of J&K. <sup>7</sup>

## **II.Family Division:**

An unknown dimension of the suffering of border peoples in Kashmir is forced division of families due to abrupt, haphazard and artificial creation of borders. When the borders were drawn and redrawn after the wars in 1947-1949, 1965 and 1971, men and women who had gone over the LoC for any purpose were stuck up at places away from their native places. Thus families were split, women lost their husbands, mothers lost their daughters and sons and sisters their brothers. The division of villages, houses and families irretrievably changed the lives of many border peoples- indeed major humanitarian tragedy that has befallen on the families residing on both sides of the arbitrarily drawn borders-the denial of the right to live as a single unit since decades. Though the exact number of families affected by the repeated divisions is difficult to ascertain, it is commonly understood that thousands of such families are

There have been many viable economic trade routes from Pakistani Punjab to the state of Jammu and Kashmir: Rawalpindi-Muzaffarabad, Jammu-Sialkot; Poonch-Rawalakot; Mainder-Tattapani-Khoiratta-Noshehra on Poonch side and Chamb-Pallanwala between Bhimber and Jammu.

Wajahat Habibullah, "The political Economy of Kashmir conflict; Opportunities for Economic Peace Building and for U.S Policy," *United States of Peace*, Washington D.C. Special Report 121, 2004, pp. 2-3.

<sup>&</sup>lt;sup>8</sup> Aurobinda Mahapatra, Contested Border and Division of Families in Kashmir: Contextualizing the Ordeal of the Kargil Women, New Delhi: WISCOMP, 2009, pp.17-27.

spread across the dividing line, thereby stalling all forms of interaction between the two parts of Kashmir.<sup>9</sup>

Poonch was next to a state up to 1947 having its own Maharaja with its boundaries touching Rajouri on southern side and Muzaffarabad on the northern side, and having families with common historico-cultural and ethnic descent. The assumption is that near about seventy per cent of families who live in Poonch and Rajouri in J&K have family members in Pakistan Administrated Kashmir (PAK).<sup>10</sup> Particularly Muslim population was the most hit of the partition. It had to forcibly migrate to distant villages for settlements. 11 Obviously, the members of this community were totally deprived of the educational and commercial avenues. On top of it, the Indo-Pakistan wars in 1960s, 1970s and 1990s aggravated their appalling condition and traditional family set ups. 12 One respondent Ghulam Hassan Khan reported that his two sons, who had gone over to Kotli for business were held their due to overnight road block. "My eyes are waiting for them. I regularly pray to God for their return." 13 Certainly, the partition displaced around 17 million people, 14 and out of them 1.5 million were Kashmiris. 15 The people of Poonch were also the victims of the partition. Consequently, most of them find it difficult to find matches for their children, especially boys, as most of the uphill parents are disinclined to marry their daughters with the boy-inmates of the LoC borderline. This is also because of their helplessness to hold landed and residential property, which they left behind in

<sup>&</sup>lt;sup>9</sup> Contested Border and Division of Families in Kashmir: Contextualizing the Ordeal of the Kargil Women, p.17.

<sup>&</sup>lt;sup>10</sup> For details see, *The Free Library.com*.

<sup>&</sup>lt;sup>11</sup> Based on interview with elderly people of Khadi Village Poonch on June 6, 2011.

Based on the field work and group discussions with the citizens of Poonch city and adjacent villages on 0June 8, 2011.

<sup>&</sup>lt;sup>13</sup> Based on interview with Ghulam Hassan Khan Local resident Khadi village Poonch on 11-06-2011.

<sup>&</sup>lt;sup>14</sup> C.N. Vakil, Economic consequences of Divide India: A Study of the Economy of India and Pakistan, Bombay: Vora Publications, 1950, 147.

<sup>&</sup>lt;sup>15</sup> <u>WWW.Scribed.com/doc/66143492</u>, (Accessed on November 11, 2011).

Rawalakot during the Partition.<sup>16</sup> To be precise, the Poonchis represent a very poor socio-economic profile though they live by it for given compulsions.<sup>17</sup>

### **III. Rising Defence Expenditure:**

Defence expenditure has been a major issue and an ongoing concern in the developing world and, in particular, in South Asia. The debate about defence versus development is perhaps one of the oldest in the discourse around planning priorities. Notwithstanding various views around the world, nobody can dispute that money spent on arms, in a developing economy, must be at the expense of more pressing needs of social and infrastructural development.

The entire South Asian region is scarred by poverty and deprivation on the one hand, conflict and war on the other. Both India and Pakistan lock horns on Kashmir, and have developed nuclear weapons to outscore each other. This makes the region extremely volatile and dangerous. India is one of the biggest defence spenders in the world. It is important to mention here that both India and Pakistan have dismal rankings on the UNDP's HDI (the United Nations Development Programmes Human Development Index): India being at 136 and Pakistan at 146. Certainly defence building is not but exposing them to more security threats.

Money allocated for defence is a diversion of scarce resources from other sectors; for countries like India and Pakistan who still belong to the group of low-income countries, this is a diversion they can scarcely afford. The most powerful critique of expansionary military spending made in recent times is the one offered in 2002 by Economists Jean Dreze and Amartya Sen. <sup>19</sup> Their critique of Indian policy since the late 1990s covers India's nuclear weapons policy as well. They feel that there are many 'social costs of Indian militarism'. Rising military expenditure

<sup>&</sup>lt;sup>16</sup> Based on interview with the elderly Poonch in June 2011 and 2012 respectively.

<sup>&</sup>lt;sup>17</sup> The statement is based on the field survey conducted by the investigator in June 2011 and June 2012 respectively.

<sup>&</sup>lt;sup>18</sup> United Nations Human Development Index Ranking 2012.

<sup>&</sup>lt;sup>19</sup> Varsha Rajan Berry and Jatin Desai, *Rising Military Expenditure in South Asia*, Mumbai: Focus Publications, December 2009, pp. 13-14.

imposes substantial opportunity costs on government priorities for health, employment and educational sectors.

For the financial year, 2010-2011, India increased its military budget by 34 percent, and she is already in the list of top ten defence spenders. Pakistan too has increased its defence budget by 16.935 percent for the same period. There has been a constant rise in the Indian defence budget since 2001, as is revealed by the following rising defence level estimates in US\$ billions.

2001	2002	2003	2004	2005	2006	2007	2008	2009
22.63	22.566	23.070	26.773	28.295	28.465	28.866	32.334	36.60

Similarly, the Pakistani defence budget steeped up consistently till 2007 and declined slightly afterwards for country's economic impoverishment. The following estimates in US\$ billions are quiet revealing,<sup>20</sup> and exhibit Indo-Pakistan trust-deficit and mutual enmity on Kashmir and other conflicting issues.

2001	2002	2003	2004	2005	2006	2007	2008	2009
4.195	4.508	4.814	5.015	5.219	5.269	5.275	4.877	4.823

Thus as a result of the 1947 Partition and the periodic wars between India and Pakistan on Kashmir, the two countries plunged into a mad race for defence building. Not only that Human Development Indicators suffered but the two countries and their people, inter alia, were disconnected from each other owing to rigid borders and the costs allied thereto.

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<sup>&</sup>lt;sup>20</sup> Raja Mohammad Khan, "Indo-Pak Military Expenditures and Global Trends," *Pak Tribune*, Pakistan News Service, June 9, 2010. Available at: <a href="http://paktribune.com">http://paktribune.com</a>.

# Chapter V

## Revival of Poonch-Rawalakot Road

# **Constraints and Challenges**

In order to address the aforesaid predicament, certain sections of the society on both sides of the border underlined the need of conflict resolution through peace and dialogue, and desired the two countries to open the ancient overland corridors for restoring trade and people to people contacts and confidence building measures. But such suggestions countered many bottlenecks and apprehensions, each having its own explanation. It would be appropriate to take a note of the following deterrents as were in the way peace process, conflict resolution and restoration of ancient trade routes connecting Jammu & Kashmir (J&K) in India and Pakistan Administered Kashmir (PAK) in Pakistan.

# I. Trust deficit:

The biggest problem that hinders India-Pakistan to become friendly has been the trust deficit, which being profound, has badly impacted on the mindset of the border peoples in particular and others in general. <sup>1</sup> Aggravated by several unhealthy acts perpetrated by the two governments from time to time, <sup>2</sup> it traces its origin back to the times of the 1947 Partition of the Indian sub-continent. The Redcliffe Award and Lord Mountbatten's Partition Plan merit special attention. Pakistanis believe that Mountbatten played a partisan role and showed preferential treatment to India by taking away Muslim-majority Gurdaspur District from her and, at the same time, facilitating the accession of thitherto Princely State of Kashmir under Maharaj Hari Singh with India through an agreement, which "deceitfully" pre-empted Indian

<sup>&</sup>lt;sup>1</sup> Christopher Snedden, "The India-Pakistan Peace Process: stronger, but with some interference," *Institute of Regional Studies (IRS)*, Islamabad, Pakistan, Seminar Papers, 20-21 October 2008.

<sup>&</sup>lt;sup>2</sup> Christopher Snedden, "The India-Pakistan Peace Process: Overcoming the Trust Deficit," *Pakistan security Research Unit (PSRU)*, Bradford UK, Brief Number 20, 2 October 2007, p.5.

army's occupation of Kashmir on October 26, 1947.<sup>3</sup> On the other hand, Indians feel that the Pukhtoon tribal raid of Kashmir on October 22, 1947 was supported, if not instigated, by Pakistan, and which gave a reason to Hari Singh to invite Indian army to Kashmir.

The India-Pakistan mutual mistrust transformed into 1965 India-Pakistan war, which led to the dismemberment of Pakistan and emergence of Bangladesh as an independent political identity in South Asia. In that, the role of India was visible beyond doubts, and to avenge which, Pakistan was alleged to fuel Sikh insurgency in 1980s and Kashmir militancy in 1989. On the other hand, Pakistan alleges Indian hand in Pakhtunwah movement in the Federally-Administrated Tribal Areas (FATA) of the North-West Frontier Province: "There is presence of certain foreign element which is fanning trouble in our tribal areas. Expulsion of foreign elements from FATA is a priority task of the government." India factors in Pakhtunwah movement as is the general perception. The Pakhtoons of the region seek for separation from Pakistan on the grounds of ethnicity and resource sharing.<sup>4</sup> Further to this, Pakistan was agitated by Indian army's "Operation Brasstacks," along her border to exercise for building military nuclear capability in 1986-1987. Pakistan's suspicion mounted with Indian army's attempts to acquire a "blue water" to develop her naval capability. Such acts of India are perceived in Pakistan, may be unrealistically, to reintegrate Pakistan with India; hence, suffice to forge an uncalled for ill-will between two countries and their nationals. Obviously, it restricted the scope of India-Pakistan peace process for conflict resolution and reopening of traditional transit routes including the one under reference.

#### II. Terrorism:

Traditionally, national security defines the ability of a state to protect its territory and people from external threats. However, currently the threat to a particular state is not that much from other states as it is from within. There is, therefore, a strong

<sup>3</sup> Christopher Snedden, "The India-Pakistan Peace Process: Overcoming the Trust Deficit," Pakistan Security Research Unit (PSRU), Bradford UK, Brief Number 20, 2 October .2007, p.5.

<sup>4</sup> Spokesman Briefings of 26-06-2008, Ministry of Foreign Affairs, Pakistan, http://ww.mofa.gov.pk/ Spokesperson/2008/June/Spokes 26-06-08.htm

realization for widening the scope of discourse on security scenario while taking insurgency, drugs, arms, money laundering,<sup>5</sup> environment, food, and the like non-traditional security threats into account.<sup>6</sup> The questions related to their source, nature, organization, implications, etc. become necessary for scholars to reply.<sup>7</sup>

The menu of India's security challenges has also broadened over the years because of its disputed borders with Pakistan and China. Such disputes could not be resolved despite periodic India-Pakistan and India-China wars in 40s, 60s, 70s and 90s. Consequently, new modus operandi based on non-traditional constructs is devised to settle scores, say for instance, through insurgency. This is because of changes taking place in the nature and techniques of global warfare. Conflicts for territorial occupation are losing scope in the face of influence sought to create through geoeconomic mechanism based on foreign investment and transcontinental competition for resource exploitation. Further, nuclear weapons are becoming a deterrent to the traditional wars. Thus, the contending parties, in some cases, try to settle the issues through the medium of insurgency, drug and arms smuggling and money laundering.

India is overwhelmed with the activities of the non-state forces in the disputed land of Jammu and Kashmir and elsewhere. Insurgents from across borders poured into North Eastern and Jammu and Kashmir states to support separatist movement against New Delhi. They tried to fail Indian currency shifting of unregistered money called "hawala" money for the separatists and militants. In fact, instances of militant infiltration and pumping of illegal money for Kashmiri separatists and militants are reported J&K across the otherwise rigid traditional trade routes.

<sup>5</sup> Dipankar Banerjee, Security Studies in South Asia and Challenge, New Delhi: Manohar, 2000, p.50.

<sup>6</sup> The Copenhagen school has advocated this for long: See Barry Buzan, *People States and Fear: An Agenda for International security in the post cold war era*, New York: Harvester- Wheatsheaf, 1991.

<sup>7</sup> James Derian, "The value of security: Hobbes, Marx, Nietzche and Boudrillard" In David Campbell and Micheal Dillon (eds), *The political subject of violence*, Oxford: Basil Blackwell, 1991, p.97.

<sup>8 &</sup>quot;Security Environment" at http://mod.in.

Obviously, several rounds of India-Pakistan peace talks were held to take regard to above doubts and apprehensions, and on almost every occasion, the two parties reaffirmed to fight terrorism as a key deterrent to resolution of long-pending disputes: "the resumption of the composite dialogue will lead to peaceful settlement of all bilateral issues, including Jammu and Kashmir." Islamabad agreed that it "would not permit any territory under Pakistan's control to be used for terrorism in any manner." The leaders and officials strongly condemned all acts of terrorism and resolved to jointly scuttle it for larger peace of the region. Even they decided to establish "an India-Pakistan anti-terrorism institutional mechanism" to identify and implement counter-terrorism initiatives and investigations. <sup>10</sup>

Though militancy is marginalized but it has not ended at all. The infiltration continues and every passing day is registered with army-militant clashes in one or the other part of the Valley, indicating India-Pakistan sharp differences on Kashmir and terrorism. Pakistan feels that there has not been concrete progress on the resolution of Kashmir while it has done everything to address India's concern about "cross-border terrorism." On the other hand, India notes that Pakistan has not given up support to the Kashmiri militants, which lies at the sources of continued cross-border terrorism. The joint statements issued at the end of each round of talks on the peace and security, show that both sides want to register the importance they attach to their respective concerns on Kashmir and terrorism. Indian leadership continues to highlight the issue of "cross LoC infiltration" and contents that it is directly linked with reduction of troops from J&K (Indian Administrated Kashmir); hence, she has been agreeing with reluctance the idea of CBMs, reduction of troops, abrogation of Special Powers (Armed Forces) Act, etc. in J&K India has linked all these steps to the security situation in Kashmir. In contrast, Pakistani leadership continued to make efforts to keep Kashmir at the centre of the dialogue and emphasized on the Kashmir specific CBMs. All this suffices to indicate militancy as a potent threat to the peace process and opening of ancient trade routes between J&K and PAK.

<sup>9 &</sup>quot;Pakistan, India Joint statement," Dawn, Karachi, Pakistan, January 7, 2004.

<sup>10</sup> Anjali Ghosh, *India's Foreign Policy*, New Delhi: Pearson and Longman, 2009, p.244.

#### III. Public opinion:

Another limiting factor to India-Pakistan mutual understanding has been the absence of strong public support or public opinion at the individual and collective levels. As said above, the people of India and Pakistan were historically brought up on contemptuous lines, may be less in India due to unhealthy India-China ties. <sup>11</sup> But it is fairly strong in Pakistan perhaps for her internal dynamics or the pressure associated with the US war on global terror.

Obviously, because of this mutual antipathy a strong popular and sustained movement could not take shape to persuade the two states settle scores through dialogue and diplomacy. Though public concern has been always there regarding the Kashmir dispute and often deteriorating India-Pakistan relations on its account. Indeed, it is only in the recent years that more moderate and generally middle class, citizens of two countries began pursuing second-track diplomacy to reform India-Pakistan relationship.

Nonetheless, there has been no robust pro-strong political constituency. Moreover, the vested interests in political structure of the two countries always tried to optimize India-Pakistan unfriendly ties to their benefit at the cost of national interests. <sup>12</sup> It was incumbent upon the political leadership to educate their electorate on the lines of peace building. Hitherto, the electorate in both states is somewhat disinterested in the national interests and are just caught up in mutual dislikes and hatred. Consequently, the electorates never put strong and sustained pressure on their political leadership to resolve the long-pending issues, Kashmir in particular, probably for the reason that such issues do not directly factor in their daily life, narrowly speaking. Obviously, the electorate had no role in India and Pakistan settlement on

<sup>&</sup>lt;sup>11</sup> Christopher Snedden, "The India-Pakistan Peace Process: stronger, but with some interference," *Institute of Regional Studies (IRS)*, Islamabad, Pakistan, Seminar Papers, 20-21 October 2008.p.21.

Christopher Snedden, "The India-Pakistan Peace Process: stronger, but with some interference," Institute of Regional Studies (IRS), Islamabad, Pakistan, Seminar Papers, 20-21October 2008.p.71.

Indus Water Sharing Treaty of 1960. Therefore, lack of strong public lobbying in India and Pakistan relegated the basic and wider issues into oblivion.

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# **Chapter VI**

# Revival of Poonch-Rawalakot Road Underlying Forces and Factors

#### 1. External Factors:

Poonch-Rawalakot and Srinagar-Muzaffarabad routes were thrown open for limited trade and traffic in 2008 due to external and internal pressure. As regards external pressure, the role of globalization and international community/organizations has been extraordinarily important in facilitating peace talks leading to opening of above routes under confidence building measures (CBMs).

#### I. Globalisation

Globalisation has become a 'buzzword' in 21<sup>st</sup> century, and a stimulant to regional and economic integration in such countries as have agreed to relax tax laws and reopen borders for free trade and traffic. In South, Central and South East Asia, it has yielded encouraging results: improved indicators of socio-economic development and eased tension among otherwise unfriendly countries. India and Pakistan can't remain averse to this global process given their historical links and legacies and trade interdependence and common security challenges. India's objective of establishing physical connectivity with South and Central Asia is based on its long term interests of energy imports and industrial exports, and also to end her long standing conflicts with its Pakistan-China neighbourhood, re-explore cultural, economic and people to people contacts and lower costs on defense and spare the same for human resource development. Physical connectivity is particularly essential to better integrate the border regions of a country into the national and global economies for alleviating

D Suba Chandran, N Manoharan, Vibhanshu Shekhar, P.G Raja Mohan, Jabin Jacob, "Connecting India A Road Map for New Roads", *Institute of Peace and Conflict Studies*, New Delhi, Issue Brief, No 58, January 2008, p.1.

regional disparities. <sup>2</sup> In view of above explanations, India and Pakistan can't be an exception to a global process, which demands softening of national and reopening of ancient routes for trade and people-to-people contacts.

#### II. United States and UK

Since Kashmir is a flash point, it is fated to trigger India-Pakistan nuclear war and thus misbalance regional balance on a simple pretext. Realizing this, US and UK exerted pressure on India and Pakistan, which remains a crucial factor in smoothening their relations. US did so for several specific strategic interests. First, she needs Pakistan's support for its war against terrorism in Afghanistan. Second, she does not want any nuclear confrontation in South Asia. Instead, she wants to exploit the factor of nuclear 'flashpoint' to compel India and Pakistan to join the International nuclear regime and keep them away from developing further nuclear weapons and missiles. Third, she intended dismounting anti-US feeling in Kashmir and justify the presence of her troops in Afghanistan for regional security. <sup>3</sup> The role of US and UK pronounced with the events related to the Kargil War in June-July 1999, failed Agra Summit in July 2001, attack on India's parliament on December 13, 2001 and the subsequent mobilization of troops on the border. This irritant phase of India-Pakistan ties saw active US and British mediatory efforts in the dialogue process. A Joint statement issued on 27 March 2003, after a Bush-Blair summit at Camp David laid down a detailed road map for follow up by the two countries. It read: "The United States and the United Kingdom condemn all terrorism wherever it occurs and whatever its purported justification. We will continue to work with our partners to eliminate this scourge, violence will not solve Kashmir's problem...Both sides should consider immediately implementing a ceasefire and taking other active steps to reduce tension within the SAARC context. The differences between India and Pakistan can only be

D. Suba Chandran, N Manoharan, Vibhanshu Shekhar, P.G Raja Mohan, Jabin Jacob, "Connecting India A Road Map for New Roads", *Institute of Peace and Conflict Studies*, New Delhi, Issue Brief, No 58, January 2008, p.11.

<sup>&</sup>lt;sup>3</sup> Suba Chandran, "Moving the Indo-Pak peace process Ahead: Crucial Questions," *Institute of Peace and Conflict Studies*, Islamabad, Pakistan, Brief Issue, No 29, March 2005, p. 1.

resolved through peaceful means and engagements."<sup>4</sup> Thus the influence of western countries played important role in keeping India and Pakistan engaged, irrespective of their rhetoric at governmental levels.<sup>5</sup>

#### II. European Union

The relations developed by the European Union (EU) with South Asia are multilayered. At the regional level, the EU has consistently affirmed an interest in strengthening links with SAARC. It has a definite capacity to consolidate the ongoing integration process (of SAARC) through its economic influence, historical experience of dealing with diversity, and its interest in crisis prevention in the region, though a compact EU-SAARC agreement could not develop so far. EU cherished its interest in Kashmir and South Asian affairs as regards the issues allied to disaster management and human rights violation. Its recent statement condemning the hanging of an alleged Kashmiri militant, Afzal Guroo, in India's Tihar jail, speaks for its role and concern in Indo-Pak relations and the disputes they are locked in over the decades together. Being significant trade partners of India and Pakistan, EU has a certain definite role to smooth their political ties for larger trade and humanitarian interests. This is perhaps why it sent its members to oversee electioneering both in Pakistan and J&K back in 2002. Thus, the Cold War policy of maintaining "equidistance" among nations, caused the European Union to look at the Indian subcontinent through the Cold War prism." 8 Consequently, while appreciating India-Pakistan troops withdrawal along LoC in 2002, the EU put across its concern for free, fair and

<sup>&</sup>lt;sup>4</sup> A.G. Noorani, "India-Pakistan Peace Process", *Institute of Regional Studies*, Islamabad, Pakistan, Seminars Papers, 20-21 October 2008, pp. 136-137.

Suba Chandran, "Moving the Indo-Pak peace process Ahead: Crucial Questions," *Institute of Peace and Conflict Studies*, Islamabad, Pakistan, Brief Issue, No 29, March 2005, p. 22.

<sup>&</sup>lt;sup>6</sup> K.K. Bhargara, A.K. Reed, "The European Union, South Asia and Democracy in Development: Dialogue and Partnership," *International Institute for Democracy and Electoral Assistance*, Sweden, 2009, p.3.

Jean-Luc Racine, "European Union and South Asia: An appraisal," Paper presented on International Seminar on, Majors Powers in South Asia, Islamabad, Organized by Institute of Regional Studies, Islamabad, Pakistan, 11-13 August 2003.

<sup>&</sup>lt;sup>8</sup> A.N. Ram, "India and the European Union in the New Millennium", in R.K. Jain's, *India and the European Union in the 21st Century*, New Delhi: Radiant Publisher, 2002, p. 5.

inclusive elections in Jammu and Kashmir. It has also been underlining the need of India-Pakistan dialogue for amicable resolution of all contentious issues for greater economic cooperation between India and Pakistan. India's decision to withdraw its objections to the EU's unilateral trade concession to Pakistan in 2010 in the wake of the devastating floods, is indeed a positive step. EU offered Pakistan specific tariff concessions in the form of autonomous trade preferences, under which 75 Pakistani products, mainly textiles, would benefit from duty-free access to European markets, and India applauded this gesture of EU. The Union has been and continues to support India-Pakistan wedding for economic cooperation and physical connectivity through the restoration of ancient transit links. Its Commissioner for External Relations, Benits Ferrero Waldner, welcomed the opening of the trade route across the Line of Control (LoC) on Oct. 22, 2008. He stated that India and Pakistan can count on the support of the 27-member European bloc to resolve their differences, and such a moment will definitely come, he hoped. 9

## III. Organization of Islamic Conference and SAARC

The Organization of Islamic Conference (OIC) expressed its strong support to the ongoing peace process between Pakistan and India, and urged both countries to make it "irreversible" and result-oriented. In a joint communiqué, following a meeting of OIC foreign ministers at the sidelines of UN General Assembly's debate on September 26, 2005, OIC encouraged the two countries to maintain regular contacts and implement the confidence building measures (CBMs) for relaxing rigid borders and promoting bilateral trade and people-to-people contacts. Pakistan was represented by Makhdoom Khusro Bakhtyar, Minister of State for Foreign Affairs, and J&K was represented by Chairman of All Parties Hurriyat Conference (APHC) Mirwaiz Omar Farooq. The members appreciated the statements issued by Pakistan President and Indian Prime Minister in New York and New Delhi on Sept 24, 2004 and April 18, 2005 respectively to the effect that dialogue process should lead to substantive progress for the resolution of the core dispute of Jammu & Kashmir in accordance

<sup>9 &</sup>quot;European Union welcomes reopening of Kashmir trade routes," EU Asia News, October 22, 2008.

with the aspirations of the Kashmiri people, and their association with the dialogue. <sup>10</sup> The members expressed its serious concern on the building of the fence along the Line of Control (LoC) in Kashmir by India in contravention of international and bilateral agreements. Further, the members called upon the international community, particularly the United Nations and United Nations Military Observer Group in India and Pakistan (UNMOGIP) to take note of the Indian actions and ensure respect to all international and bilateral agreements on LoC. The members also reaffirmed its resolve to combat all forms and manifestations of terrorism, including state terrorism regardless of specific religion, culture, community or country. The chairman of Hurriyat Conference (M), Mirwaiz Umar Farooq, urged the OIC to use its influence on the two countries so that they initiate a peace process for lasting peace and honourable settlement of the Kashmir dispute. "The OIC has consultative and cooperative relations with the United Nations and it can play a vital role in getting the conflicts involving its member states resolved," he said. <sup>11</sup>

The 12<sup>th</sup> SAARC summit of 2003 also had a considerable influence on changing India-Pakistan mindset from conflict to friendship. To further the peace process, Pakistan Prime Minister, Zafarullah Jamali, expressed willingness for resumption of civil aviation, road and rail links, sports events etc.<sup>12</sup> A year after on

<sup>10</sup> For details see, http: DAWN.Com.

<sup>&</sup>quot;I stand before you not just as a representative of the Kashmiri people struggling for their inalienable rights of self-determination, but, more importantly as a believer. I urge the *Ummah* to reclaim its intellectual and spiritual glory. I am proud of the accomplishments of the OIC, but still lot needs to be done," he said.

The composite Dialogue was meant to replace enmity with amity. Since its start in April 2003, significant progress was made in normalizing relations between the belligerent neighbours. The statement issued by Prime Minister Vajpayee on the eve of his visit to Srinagar in April 2003. The given statement reflecting goodwill gesture was well received by the then Prime Minister of Pakistan, Zafarulla Jamali. Who supported putting the said gesture of cordiality with real practice.

February 18, 2004, the foreign secretaries of two countries met to explore possibilities of implementing the process of composite dialogue on the feuding issues.<sup>13</sup>

### IV.Pugwash

To improve India-Pakistan ties, the Nobel Prize winning Pugwash International organization held an important Track 2 meeting in Kathmandu in December 2004. The meeting brought together, for the first time, politicians, journalists, civil and military officials, diplomats and civil society representatives from both sides of the Line of Control in Jammu and Kashmir. Important were the representatives from PAK like the President of the Muslim Conference, Sardar Attique Khan. From Jammu and Kashmir, besides others, participants included the separatist and nationalist leaders like Sajjad Lone, Panthers Party Chief Mr. Bhim Singh, the present Vice President India, Mr. Hamid Ansari, and Mr. Satinder Lambah who was subsequently appointed as the Indian representative in the extensive "back channel" negotiations, which focused predominantly on evolving a framework to resolve the Kashmir issue.

The need for developing a multi-level approach was generally agreed upon to settle Kashmir dispute through intra-Kashmiri dialogue. To that end, while participants appreciated the efforts of both India and Pakistan to sustain a composite dialogue, <sup>14</sup> they nonetheless emphasized on them to re-open traditional borders for emotional and human coverage. The meeting terminated with the following resolution on the physical re-connections: (a) Activate bus services across LoC, (b) Re-open multiple land routes across J&K and PAK with requisite infrastructure, (c) Set up border markets and meeting points at possible crossing-points along the LoC, for example at Neelum Valley and at Uri-Chakhoti etc., (d) Develop trade in goods and services across the LoC and at a regional level, (e) and Initiation of joint projects for water sharing, mutual development and environmental conservation.

<sup>&</sup>lt;sup>13</sup> Joint statement: President Mushraff and PM Vajpayee, *Jinnah Institute, Islamabad*, Pakistan, 6 January 2004.

G Parthasarathy, "Track 2 and Back Channel Diplomacy in India and Pakistan Relations," 24 December 2010, Public Diplomacy Division, Ministry of External Affairs Govt. of India.

#### 2. Internal Factors:

#### **Process and Official Initiatives**

Amid differences, however, the two countries often engaged themselves in a peace process for resolution of long pending disputes. A peace process is a time consuming exercise based on the mutual desire of the contending parties to sort out differences on issues of conflict. It calls upon the parties to grapple with the real issues and understand each other's compulsions and constraints as a key to conflict resolution. <sup>15</sup>

India-Pakistan peace process can be dated back to 1960s. The two countries had partially resolved the Indus Waters Dispute in 1960 and the Rann of Kutch dispute in 1986 through negotiations. Again in 1980's, they strived to address Siachen, Sir Creek and Tulbul-Wullar disputes through mutual understanding. Meanwhile, in 1987, Pakistan President, General Zia-ul Haq, flew to Jaipur India to watch a India-Pakistan cricket match, and General Musharaff followed him on his visit to New Delhi in April 2005. This was indeed done to undo the baggage of their ill-fated relationship since Partition of Indian sub-continent in 1947. However, such negotiations and gestures were not formalized, had no set time table and were held on need to need basis.

To this effect, the formal efforts were made from 1990s under external and internal pressures. Accordingly, India Prime Minister, Indar Kumar Gujaral, and his Pakistani counterpart, Nawaz Sharie, met in Male, the capital of Maldives, in May 1997, and agreed to a structured dialogue process to end disputes of various sorts. On June 23, 1997, they agreed to constitute joint working groups (JWGS) on eight major issues such as (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) and

Rizwan Zeb, "Peace process and Indo-Pak Conflict", *Pakistan Institute of Peace Studies (PIPS)*, Islamabad, Pakistan, September 29, 2009.

Ashutosh Misra, "An audit of the India-Pakistan Peace Process," Australian Journal of International Affairs, Volume 61, Number 4, December 2007, pp. 521-528.

Azaz Syed, "Statement on Kasab was made after consultation: Gen Durrani," Dawn, Karachi, Pakistan, May 22, 2011.

promotion of friendly exchanges in various fields. <sup>18</sup> Thus a compromise was mutually agreed upon between the two feuding powers in the sense that while India agreed to include Kashmir in the agenda for talks, Pakistan recognized terrorism as a major irritant in bilateral relations. In Lahore Agreement of February 1999, they reiterated to move forward on the path of dialogue. Subsequently, civil society members, academicians, professionals, peace activists, sportsmen and journalists, stepped in to build pressure on India-Pakistan for resumption of systematic peace talks and conflict resolution through CBMs and reopening of traditional road links.

The devastating 2005 earthquake nurtured their resolve in optimism. For disaster management, the otherwise rigid cross-borders became irrelevant. Poonch-Rawalakot, <sup>19</sup>Chakothi-Uri (November 9 2005), Nauseri-Tithwal (November 10, 2005), Tattapani-Mendhar (November 15, 2005) and Hajipur-Uri (November 16, 2005) crossborder points, were partially restored for the relief of the earthquake-affected people of J&K and PAK.<sup>20</sup> In view of mutual trust, such borders were informally kept open for a pretty long period after the 2005 earthquake: courtesy matured political leadership of two countries which permitted so for the first time since Partition. <sup>21</sup> In its furtherance, the Karavan-e-Aman (Caravan for peace), a bus service linking Srinagar and Muzaffarabad, was launched on 7 April 2005 followed by the Shimla bus service along Poonch-Rawalakot in J&K and PAK in 2006. The PAK Chamber and Industry delegation visited Srinagar and Jammu to establish the first joint non-governmental body, the Intra-Jammu and Kashmir Chamber of Commerce and Industry. Drawing lessons from the same experience, the two countries re-opened Srinagar-Muzaffarabad and Poonch-Rawalakot traditional links in October 2008 for limited trade and traffic and with great deal of bizarre. Twenty-one commodities were identified for duty free

Robert G. Wirsing, *Kashmir in the Shadow of War: Regional Rivalries in a Nuclear Age*, New Delhi: Spring Books India, 2004, p.17.

Aushtoush Misra, "An audit of the India-Pakistan peace process," Australian Journal of International Affairs, Vol. 61, No. 4 December 2007, p.522.

<sup>&</sup>lt;sup>20</sup> Dawn, Karachi, Pakistan, November 1, 2005.

Ashutosh Misra, "An audit of the India-Pakistan Peace Process," Australian Journal of International Affairs, Volume 61, Number 4, December 2007, p. 522

trade along these routes. These included carpets, shawls, felts, gabas, embroidery items, fruits, vegetables, dry fruits, saffron, imli, rajma'h, spices, foam mattresses, medicinal herbs, prayer mats, precious stones, peshawari chapple, maize and maize products, honey and rice.

While peace process was progressing well, Indian city of Mumbai experienced a devastating terror attack on November 26, 2008. It occurred at a time when Pakistan's Foreign Minister, Shah Mehmood Qureshi, was visiting India to discuss important issues related to Kashmir, the Chenab River water and trade.<sup>22</sup> As its spill over, India suspended the dialogue process on the grounds of Pakistan's Inter-Service Intelligence (ISI) alleged involvement in the Mumbai attack.<sup>23</sup> The things came to such a pass where another India-Pakistan war seemed imminent, though it was averted: thanks to international community and the civil society. In fact, civil society comprising academicians, politicians, diplomats, officials, businessmen, media and other persons, exercised great deal of influence over their respective governments to engage in peace talks for conflict resolution and softening of the borders for people to people contacts and trade, educational, cultural, scientific and sports cooperation.<sup>24</sup> The given movement progressed under the popular name of Track 2 Diplomacy.<sup>25</sup> However, the silver lining was that neither LoC trade along Poonch-Rawalakot and Srinagar-Muzaffarabad roads was abandoned nor hope for resumption of peace talks was left by the two governments.

Certain progress was registered after Indian Home Minister, P. Chidambaram visited Islamabad on the eve of SAARC Interior Ministers. During his meeting with

Shaheen Akthar, "The India-Pakistan Peace process," *Institute of Regional Studies*, Islamabad, Issue Brief No.10, Pakistan, 2009, p.1.

<sup>&</sup>lt;sup>23</sup> Jim Yardly, "In First Step India and Pakistan Resume Talks," *The New York Times*, New York City, United States, February 25, 2010.

<sup>&</sup>quot;India Blog Series: The Role of Citizen Diplomacy in India-Pakistan Relations," USC Centre on Public diplomacy, University of Southern California, November 14, 2011.

<sup>&</sup>lt;sup>25</sup> G Parthasarthy, "Track 2 and Back Channel Diplomacy in India and Pakistan Relations," December 24, 2010, Public Diplomacy Division, *Ministry of External Affairs Govt. of India*.

Pak officials on June 26, 2010, <sup>26</sup> he consented to adopt several measures for the wellbeing of the two nuclear-armed rivals of the Himalayan region.<sup>27</sup> In 2010 itself, India offered millions of US dollars in assistance to flood-affected Pakistan. <sup>28</sup> Pakistan soon reciprocated by releasing hundreds of Indian fishermen. 29 The mutual trust strengthened with the marital knot of two national heroes of India and Pakistan, Indian tennis player Sania Mirza with Pakistani cricketer, Shoaib Malik.<sup>30</sup> The two countries exchanged list of war prisoners and nuclear installations in early 2011 and reiterated to "refrain from undertaking, encouraging or participating in, directly or indirectly, any action aimed at causing the destruction of, or damage to, any nuclear installation or facility in the other country." <sup>31</sup> On humanitarian grounds, and on the appeal of Indian Supreme Court, Pakistan released one Indian convict, Gopal Das, who had been detained in jail for the past 27 years. Pakistan Prime Minister also visited India to watch Indo-Pak World Cup Cricket semi- final 2011.<sup>32</sup> In fact, whole year 2011 was characteristic of oft-recurring Secretary and foreign Ministers-level, Krishna-Khar talks, 33 for resumption of dialogue process, 34 leading to the settlement of issues<sup>35</sup> related to Kashmir, Sir Creek, Siachen, WullarBarrage/ Tulbul navigation project. They also agreed to initiate joint measures to address terrorism and narcotics trade, release innocent prisoners, and promote trade and commerce. The issues of visa regime, CBMs, and reopening of rigid borders to facilitate people- to-people contact,

<sup>&</sup>lt;sup>26</sup> The Times of India, New Delhi, India, June 24, 2010.

<sup>&</sup>lt;sup>27</sup> The Nation, Lahore, Pakistan, August 13, 2010.

<sup>&</sup>lt;sup>28</sup> The Times of India, New Delhi, India, August 31, 2010.

<sup>&</sup>lt;sup>29</sup> NDTV News Channel, New Delhi, India, September 5, 2010.

<sup>&</sup>lt;sup>30</sup> "Sania Mirza Weds Shoab Malik", *The Times of India*, New Delhi, India, April 12, 2010.

<sup>&</sup>lt;sup>31</sup> The Express Tribune, Karachi, Pakistan, January 2, 2011.

<sup>&</sup>lt;sup>32</sup> Dawn, Karachi, Pakistan, March 27, 2011

<sup>&</sup>lt;sup>33</sup> "Visit of Hina Rabbani Khar: Creating history beyond the pale of History", *Civil Services Times*, Delhi, India, September 2011.

www.thaindian.com/news, (Accessed on December 23, 2012).

<sup>&</sup>lt;sup>35</sup> The News International, Karachi, Pakistan, October 12, 2011.

also featured the official and diplomatic-level meetings between two countries in 2011.<sup>36</sup> The Indian and Pakistan Prime Ministers, Manmohan Singh and Syed Yusuf Raza Gilani, directed their Home and Commerce Secretaries, to speed up the ongoing dialogue process to facilitate trade and travel across the LoC, and set forth a timeline for "dismantling all nontariff barriers" and conducting hassle-free trade within the South Asian Free Trade Agreement.<sup>37</sup> "We have wasted a lot of time in acrimonious debate in the past. The time has come to write a new chapter in relations," said Manmohan Singh during an informal meeting with Gilani at Villingili ahead of the opening of the South Asian Association for Regional Cooperation (SAARC) summit. While Mr. Singh called Mr.Gilani a "man of peace," he urged upon him to bring to book the master minds of 26/11 attackers.<sup>38</sup> Besides complete cooperation, Pakistan assured to confer upon India the Most Favoured Nation Status (MFN) by ending 2012.

The year 2012 was a breakthrough in Indo-Pak bilateral ties. Pakistan freed 179 Indian fisherman and after thirty years captivity, handed over to India the 69 year-old "Indian spy" Surjeet Singh, at the Wagah-border, which was equally reciprocated by India through the release of an 80-year-old Pakistani doctor, Khalil Chisti, who was held in India on murder charges.<sup>39</sup> This was followed by an agreement between Indian External Affairs Minister, SM Krishna, and Pakistan Interior Minister, Rehman Malik, <sup>40</sup> where by visa regime was softened for travel, tourism and pilgrimage indicating the first major overhaul since 1974. Persons over 65 year's age were to be given visa on arrival, and a time frame of 45 days was set for the issuance of visas by

<sup>&</sup>lt;sup>36</sup> "Visit of Hina Rabbani Khar: Creating history beyond the pale of History," *Civil Services Times*, Delhi, India, September 9, 2011.

<sup>&</sup>lt;sup>37</sup> Vikas Baja, "India and Pakistan Take Step toward a Deal on Trade," *The New York Times*, New York City, United States, September 28, 2011.

<sup>&</sup>lt;sup>38</sup> R.K. Radhakrishan, Sandeep Dikshit, "Manmohan return gift for Pakistan MFN gestures," *The Hindu*, Delhi, India, November 10, 2011.

<sup>&</sup>lt;sup>39</sup> Dawn. Com Pakistan, January 7, 2012 (Accessed on December 23, 2012).

<sup>&</sup>lt;sup>40</sup> "Rehman Malik in India, new Visa regime to begin", *Daily News Analysis (DNA)*, New Delhi, India, December 14, 2012.

the respective governments. Visas were also to be issued for 5 instead of 3 cities earlier with option of different check points and flexible mode of travel. Significantly, Cross-LoC confidence-building measures (CBMs), were agreed to be diversified for trade, tourism and pilgrimage, to begin with at the Chakoti-Uri and Poonch-Rawalakot crossing points. Valid entry permit-holders were allowed to cross the LoC any day provided emergency. Both the parties expressed complacency on the provisions couched in the aforesaid agreement of the new visa regime. 41 Pursuant to this, Wagah-Attari border route was re-opened on 13 April 2012 to boost people-topeople contacts and group tourism. 42 For the second time, Mr. Krishna visited Pakistan and called on President Asif Ali Zardari and Prime Minister Raja Pervez Ashraf and a host of politicians from MQM, ANP and PML(Q) parties. 43 "We are committed to finding solutions of all issues that have beset our relationship through peaceful bilateral dialogue", and "We look to the future where our two countries are able to live together in an atmosphere of friendliness and all-round cooperation free from terror and violence," said Mr. Krishna in Pakistan. The two Ministers talked peace to resolve outstanding issues by engaging in constructive and result-oriented talks and for becoming good neighbourly states of South Asia. To marginalise mutual doubt and suspicion, 44 following was resolved to facilitate Cross-LoC trade:

- To work out a list of 21 items for Cross-LoC trade and to widen it on the basis of the recommendations of a working group;
- Create adequate facilities at the respective facilitation centres on the both sides of the LoC;
- Increase the number of trading days for movement of truck loads across LoC from 2-4 days in a week;

<sup>&</sup>lt;sup>41</sup> Anita Joshua, "India Pakistan Ink Visa Agreement," *The Hindu*, Delhi, India, September 9, 2012.

<sup>&</sup>lt;sup>42</sup> India Outlook, New Delhi, India, April 8, 2012.

<sup>&</sup>lt;sup>43</sup> Anita Joshua, "Krishna meets Khar, terrorism high on agenda," *The Hindu*, Delhi, India, 8 September 8, 2012.

Visit of Hina Rabbani Khar: Creating history beyond the pale of History, *Civil Services Times*, Delhi, India, September 9, 2011.

- Authorise the designated authorities to address operational hiccups by themselves;
- Facilitate regular interaction between the Chambers of Commerce and Trade on both sides of the Loc;
- Strengthen existing telephone communication facilities along the LoC;
- Hold meetings of the Designated Authorities quarterly at the Terminal of the Crossing Points on the LoC as and when required;
- Promote tourism in general and religious tourism in particular; and
- To issue visas within forty five days after the receipt of applications for visit to J&K and PAK across Poonch-Rawalakot and Srinagar-Muzaffarabad traditional trade routes.

Emboldened by two-way optimism, <sup>45</sup> the moderate Kashmiri leaders were allowed to visit Pakistan and involve them in peace talks and conflict resolution of Kashmir. Their visit was, therefore, just not an event but rather the part of the Track 2 Diplomacy envisioned long back by the Pugwash in 2004 at Kathmandu. The visit holds significance keeping in view of the security vulnerabilities of post-2014 Afghanistan for Kashmir, and also the fact that no solution is possible to Kashmir issue without the participation of the basic stakeholders. Likewise, the resumption of the Indo-Pak cricket diplomacy in December 2012, was yet another cap in the feather of political diplomacy of the two countries to sort out issues through dialogue than war and conflict. <sup>46</sup>

Many if not all, recommendations were instantly implemented by two governments. More important to this, the two countries pledged to reduce import duty to 5% and reopen yet another ancient Kargil-Iskardu trade route in the coming days. Further, Pakistan agreed to grant MFN status to India by ending 2012 thereby allow around 1,000 Indian goods to directly enter Pakistan for sale and onward transportation to Afghanistan and Central Asia in case of surplus in consonance with

<sup>&</sup>lt;sup>45</sup> *The Hindu*, Delhi, India, September 7, 2012.

<sup>&</sup>lt;sup>46</sup> Greater Kashmir, Srinagar, J&K, India, October 31, 2012.

the WTO directive: India having done it already in 1996. However, Pakistan could not do so in 2012 due to elections, and is now slated to do it by 2013.

The said process continues despite cross-LoC firings and army killings and the murder of India and Pakistani nationals in the respective jails. It has picked up vigorously with change of government in Pakistan and India's gesture to supply 500 MW of electricity to Pakistan to ease out her energy crisis.

Notwithstanding ups and downs in India-Pakistan relations, the two countries did not shun the idea of restoring traditional link roads for trade and traffic. Poonch-Rawalakot was also reopened in 2008 as a result of the structured peace process begun in 1990s due to matured political leadership and the pressure of active civil society and international community. However, the trade and traffic along the same road remains limited as on date.

# **Chapter VII**

# Revival of Poonch-Rawalakot Road

# **Bottlenecks, Benefits and Opportunities**

As discussed in the foregoing pages, Silk Route defined a trans-continental highway containing a number of off springs, of which one was the Poonch-Rawalakot route that connected Kashmir with Central Asia from early times. The archeological and literary evidences bear witness to Kashmir's multilayered connections with Central Asia, and because of which North India, Kashmir, Iran, Afghanistan and Central Asia formed a single cultural space with great deal of mutual influences and affinities in the practices related to the peoples individual and collective behaviours. <sup>1</sup>

However, these traditional Silk Route links freezed with the Partition of the Indian Sub-continent in 1947, emergence of and the infighting of India and Pakistan Kashmir. This eventually led to the de facto division of Kashmir with a hard dividing Line of Actual Control (LoC) between them(1949), stalling thereby the whole process of free trade, human passage and religio-cultural movements across the Indo-Pak borders.<sup>2</sup> Further India's direct trans-surface links with Central Asia over different traditional routes was blocked.<sup>3</sup> One such ancient route was the Poonch-Rawalakot route sprawling over Poonch in J&K and Rawalakot in PAK. Eventually there upon, whole process of human interrelationship of the people of the same ethno-historical and cultural descent came to a standstill. Cross-LoC trade and people to people

Mushtaq A. Kaw, "Restoring India's Silk Route Link With South and Central Asia across Kashmir: Challenges and Opportunities," *The China and Eurasia Forum Quarterly*, Central Asia-Caucasus Institute and Silk Road Studies Program, Vol.7, May/June 2009, pp.60-61

Wajahat Habibullah, "The Political Economy of Kashmir Conflict: Opportunities for Economic Peace Building and for U.S policy", United States of Peace, Washington D.C. Special Report 121, 2004, pp.2-3.

Mushtaq A. Kaw, "Restoring India's Silk Route Link With South and Central Asia across Kashmir: Challenges and Opportunities," *The China and Eurasia Forum Quarterly*, Vol.7, May/June 2009, pp.59-60.

contacts also ceased and the two countries were caught up in a severe conflict on Kashmir.<sup>4</sup>

The revival of all such traditional road links including the Poonch-Rawalakot could not happen due to hard-line approach of the two feuding powers for their divergent ends and interests. Instead, the war phobia overtook them to a degree where they prioritized defence over works of public utility. Consequently, their national growth and indicators of socio-economic development were badly affected due to rising defence expenses, which is a serious concern in whole South Asia. The debate about defence versus development is perhaps one of the oldest in the discourse around planning priorities. Notwithstanding various views on the issue, it is universally accepted that money spent on arms in a developing economy, is always at the cost of basic needs of the people at large. Both India and Pakistan have developed nuclear weapons notwithstanding commitment to nuclear deterrence. This is amply compounded by their swelling defence expenses over the years, <sup>5</sup> which Jean Dreze and Amartya Sen have termed for India as "social costs of militarism" on her over all socio-economic structure. <sup>6</sup> Undeniably, therefore, the entire South Asian region is scarred by poverty and deprivation on the one hand and conflict on the other.

Belated though, the two countries finally appreciated the need of Composite Dialogue Process (CDP) for region's peace, security and development. Both internal and external factors contributed to this process. The international organizations like UN, OIC, EU, Pugwash etc. impressed upon the two governments to sort out differences through peace talks, CBMs and opening of ancient routes for trade and

<sup>&</sup>lt;sup>4</sup> Based on interview with Padam Shri Awardee, S.N. Khajura, Chairman of Border Area Committee Poonch on June 3, 2012.

<sup>&</sup>lt;sup>5</sup> Cf. Raja Mohammad Khan, "Indo-Pak Military Expenditures and Global Trends," *Pak Tribune*, Pakistan News Service, June 9, 2010.

<sup>&</sup>lt;sup>6</sup> Varsha Rajan Berry and Jatin Desai, *Rising Military Expenditure in South Asia*, Mumbai India, Focus India Publications, December 2009, pp. 13-14.

people-to-people contacts.<sup>7</sup> UN was explicit in its approach for it underscored that Kashmir issue can't be kept hanging any more in view of Indo-Pak nuclear capability and growing security threat from the non-state forces. The current trend of globalization also necessitated the opening of borders for integration of local and regional economies in fastly transforming global world. It offered opportunities to the two feuding countries to avail of the revolution in information and communication technology, and soften borders, liberalize trade and taxation laws, and allow equitable resource sharing.<sup>8</sup> The idea of composite dialogue and softening of the cross-border points in Kashmir<sup>9</sup> was equally upheld by civil society: political, cultural, business and elite groups of India and Pakistan. Their endeavors shaped into a movement termed as the Track 2 Diplomacy, which called for setting up of border markets, developing cross border trade and people-to-people contacts, sharing of resources to end regional disparities and giving equal opportunities of growth and development to people of Kashmir.<sup>10</sup>

# 1. Transcending Challenges & Threats:

It was precisely in this background that the two countries reopened two traditional trade routes, Srinagar-Muzaffarabad and Poonch-Rawalakot routes for limited trade and traffic in October 2008, despite traditional and non-traditional threats of

D Suba Chandran, N Manoharan, Vibhanshu Shekhar, P.G Raja Mohan, Jabin Jacob, "Connecting India A Road Map for New Roads", *Institute of Peace and Conflict Studies*, New Delhi, Issue Brief, No 58, January 2008, India, p.1.

See for details, Mushtaq A. Kaw, "Kashmir and Central Asia: Past Legacy and Future Continuum," In P.L. Dash (ed.), *India and Central Asia: Two Decades of Transition*, New Delhi: Oxford University Press, 2012, pp. 30-49.

<sup>&</sup>quot;India Blog Series: The Role of Citizen Diplomacy in India-Pakistan Relations," USC Centre on Public Diplomacy, University of Southern California, 14 November 2011.

G Parthasarathy, "Track 2 and Back Channel Diplomacy in India and Pakistan Relations", Public Diplomacy Division, *Ministry of External Affairs, Govt. of India*, December 24, 2010.

security.<sup>11</sup> Fortunately, Poonch registered no insurgent infiltration and unregistered money transfer for militants or separatists either<sup>12</sup> since the restoration of Poonch-Rawalakot road, though it did happen along other cross-border points of LoC.<sup>13</sup> In fact, during an interview, the Additional Deputy Commissioner of Poonch, out rightly ruled out such apprehensions and attributed them to the mere vested interests that are inimical to peace and conflict resolution, and those persons who measure the solution of the conflict simply in military rather than the humanistic terms,<sup>14</sup> though he and Major A.K. Payai, whom the investigator met in June 2012, gave no guarantees for the future. The vested interests fail to recognize that many divided families, visited each other on the reopening of the route in 2008, and felt jubilant enough after years of separation, and which symbolizes reunion of hearts and souls, and which in itself is due to restore Indo-Pak confidence against insurgency and resolve long-pending issues through confidence building measures (CBMs) including the restoration of traditional trade routes.

# 2. Reopening of the Poonch-Rawalakot Road:

#### I. Trade Constraints and Bottlenecks:

However, trade constraints and bottlenecks exist and subject the merchant community to a lot of inconvenience along the Poonch-Rawalkot road, and which the merchant

Kanti Bajpai, Human security: Concept and measurement, John B Kroc Institute for International Peace, University of Norte Dame, Occasional paper no. 19, August 2000, Available at <a href="http://www.nd.edu/krocinst/ocpapers/09-19-1.PDF+search-human.%2security">http://www.nd.edu/krocinst/ocpapers/09-19-1.PDF+search-human.%2security</a>

Rekha Chowdhary, "The Political Economy of Cross-LoC Trade," *Jammu and Kashmir Trade across the Line of Control*, Conciliation Resources, London, Discussion Papers, December 2010, p.16.

Bases on interview with some elderly people of Poonch and Rawalakot whom the investigator met near Zero Line and Cross LoC trade Centre Chakan-Da-Bagh Poonch in June 2011 and July 2012 respectively.

Based on interview with Jatinder Singh, Additional Deputy Commissioner, Poonch on June 9, 2012.

community happily bears with to fulfill an emotional objective.<sup>15</sup> To quote the President of the Muzaffarabad Chamber of Commerce and Industries, "The manner in which Cross-LoC trade was initially conducted; it was not a business of profit, but out and out a business of loss. Aware of all bottlenecks and losses, we were still serious about it because we respect the gestures behind this (Cross-LoC trade). In course of time, however, we made up the losses. We can't part with it for it is a key to the long term peace and cooperation between two parts of Kashmir,"<sup>16</sup> provided peace process is continued,<sup>17</sup> and no further Mumbai type attacks occur.<sup>18</sup>

Similarly, a requisite infrastructure is not in place for conducting duty-free trade on the Poonch-Rawalakot route. The Trade Facilitation Officers (TFOs) have been constantly urging for creating Trade Facilitation Centers (TFCs) to store and insure goods at Poonch for the reason that more than desired scrutiny and screening of goods cause un-necessary delay in offloading and reloading, which damages, *per se*, fresh fruits and depreciates their value in the market. Thus a fairly large scanning machine to scan the entire truckload at one time is deficient.

Further, since the entire trade is based on barter, the value of trading commodities is hard to determine. The businessmen are, as such, pushed to difficulties in settling their accounts. Last but not the least, the absence of money exchange. 19 and

Moeed Yusuf, "Promoting Cross-LoC trade in Kashmir," *United States Institute of Peace*, Washington DC., Special Report 230, August 2008, p.10.

Epilogue, Vol. 2, Issue 10, November 2008, Jammu, J&K India, p.35; Faheem Aslam, "Cross-LoC trade has peace-building potential," Greater Kashmir, Srinagar, J&K, India, March 26, 2011.

Rekha Chowdary, "The Political Economy of Cross-LoC Trade," *Jammu and Kashmir Trade across the Line of Control*, Conciliation Resources, London, Discussion Papers, December 2010, p.15.

Shaheen Akther, "Expanding Cross-LoC Interactions Perspective from Pakistan," *Institute of Peace and Conflict Studies*, New Delhi, IPSC Issue130, September 2009, p.2.

Smruti Pattanaik and Dr. Arpita Anant's, "Cross-LoC Confidence Building Measures between India and Pakistan: A Giant Leap or a Small Step towards Peace," *Institute of Defence Studies and Analysis*, New Delhi, Issue Brief, 12 February 2010, p.1.Their opinion was supported by the TFO and the business community at the Cross-LoC Trade Centre Chakan-Da-Bagh Poonch,

limited number of twenty-one commodities, is seen as stifling the potential for trade in other items. Likewise, there is no provision for meeting of J&K and PAK traders of Poonch and Rawalakot. While PAK traders can make a telephonic call to their J&K counterparts for settling trade terms, their Indian counterparts are barred to do so for security reasons. Above all, the local traders have little or no role in the ongoing LoC trade. Such a right is vested with the merchant communities of proper Amritsar and New Delhi from Indian side<sup>20</sup> and Karachi and Lahore from PAK side. The local traders are, therefore, simply the agents of great trade monopolists of proper India and Pakistan,<sup>21</sup> who alone determine the commodity structure and their allied prices.<sup>22</sup> They bribe the authorities and carry out proxy trade (trading in commodities other than specified in Trade Agreement between India and Pakistan), and get tax exemptions in the so-called name of Kashmiri goods.<sup>23</sup> Non-Kashmirian goods like garlic and herbs have a great demand in J&K and so have red chilies and coconut in PAK. All such goods are traded in the name of Kashmirian goods.<sup>24</sup>

<u>http://www.idsa.in/system/files/CrossLoCCBMbetweenIndiaandPakistan.pdf</u> (Accessed on October10, 2012).

- Malik Javeed Iqbal, "Cross-Line of Control Trade: a step towards peace Building and Conflict Resolution," *Jammu and Kashmir Trade across the Line of Control*, Conciliation Resources, London: Discussion Papers December 2010, p.28.
- Based on interview with Pawan Anand, President of Cross LoC Traders Association at Poonch on June 8, 2012.
- Malik Javeed Iqbal, "Cross-Line of Control Trade: a step towards peace Building and Conflict Resolution," *Jammu and Kashmir Trade across the Line of Control*, Conciliation Resources, London, Discussion Papers, December 2010, p.28.
- Ershad Mahmud, "Bringing Peace and Development Control Trade: a step towards peace Building and Conflict Resolution," *Jammu and Kashmir Trade across the Line of Control*, Conciliation Resources, London, Discussion Papers, December 2010, pp.28, 36.
- <sup>24</sup> *Indian Express*, Delhi, India, August 16, 2011.

# 3. Reopening with Multiple Benefits:

### I. Emotional Contentment

The afore mentioned constraints and bottlenecks should not imply that the LoC trade was, in any way, devoid of cheers to the border peoples in particular and others in general. Its reopening sent a message of happiness to all the peoples settled along the 43 kilometers of LoC between Poonch, Rajouri and Jammu in J&K and Rawalakot, Kotli and Mirpur in PAK- a territorial space that was always down the memory lane of the people on both sides of the border. A retired headmaster in 70s from Poonch, Amar Singh Josh, reported that he had emotional attachments with the said road for he traversed it regularly with his father for business, and had made friendship with Ayub Khan, now a retired Colonel in Pakistani army. He said: "It is great to see the Tata mobiles and load carriers once again plying on the road. The trucks will reach Tetrinote (Trade Centre on Pakistani side 2 km from Line of Control) in just a few minutes, a dream coming true after a long wait of sixty years since the Partition of the Indian sub-continent. For trade, traffic and emotional attachments, both India and Pakistan need to uphold the initiative with strong will, and push mutual rivalry and security threats into backdrop."25 The reopening of road after a painful wait of 60 long years since Partition, is a big psychological contentment to all of us, said another respondent, Gh. Hassan Khan.<sup>26</sup> Jatinder Singh made the similar impressions about the satisfaction that he got from the renewal of the said road.<sup>27</sup> The Academicians,<sup>28</sup> journalists and others felt complacent about the event because it set the trend for softening of borders to the great respite of the concerned stakeholders. <sup>29</sup>

Based on interview with Amar Singh Josh (a retired school headmaster) at Ajote (Poonch) on June 4, 2011.

<sup>&</sup>lt;sup>26</sup> Based on interview with Gh Hassan Khan local resident of Khadi village (Poonch) on June 6, 2011.

<sup>&</sup>lt;sup>27</sup> Based on interview with Additional Deputy Commissioner Poonch on October 6, 2012.

<sup>&</sup>lt;sup>28</sup> Rekha Chowdhary, Professor in the Department of Political Science, University of Jammu.

<sup>&</sup>lt;sup>29</sup> "Line of Control becomes Line of Commerce," *The Indian Express*, New Delhi, India, October 22, 2008.

#### **II. Trade Dynamics:**

### a) Resumption of Trade

The reopening of the road also saw the beginning of the LoC trade after more than six decades. The trading community felt contented with the opportunities offered by the bilateral trade between Poonch and Rawalakot. Mubeen Shah, President of the Kashmir Chamber of Commerce and Industry (KCCI) who led a delegation to the Peace Bridge at Poonch stated: "Today, it is a symbolic beginning, but I am sure we will manage to break all impediments and make this trade a reality for future generations." Though the said trade, being at an embryonic stage, is not lucrative or worthwhile in quantitative terms, yet the local merchants have a great satisfaction on its account. To quote one such trader, Pawan Anand, "I sent a truck of onions from Poonch to Rawalakot, which was reciprocated by the same commodity from there: it is not a big deal in terms of profit. Nonetheless, we go ahead with it just to support the belated Indo-Pak initiative for perspective trade and restoration of direct trans-surface links as characterized regional trade over Pakistan, Afghanistan and Central Asia prior to the Partition." <sup>30</sup>

This does not suggest that the quantum of LoC trade after reopening of road in 2008 was better than before the Partition in 1947. For instance, India's share in Pakistan's global exports and imports was as high as 23.6 per cent in 1948-49, which plummeted by 1.3 per cent and 0.06 per cent respectively in 1975 and 1976,<sup>31</sup> and 1.1 per cent and 2.7 per cent respectively in 2005 and 2006. Pakistan's share in India's global exports and imports was 2.2 per cent and 1.1 per cent respectively in 1952 and 1953, which declined by 0.02 percent and 0.4 per cent in 1975 and 1976 and 0.7 per cent and 0.13 per cent in 2005 and 2006.<sup>32</sup>

Based on interview with Pawan Anand, the President of Cross LoC Traders Association at Poonch on June 8, 2012.

Ranjit Singh Ghuman, and Davinder Kumar Madaan, "Indo-Pakistan Trade Cooperation and *SAARC*," *Peace and Democracy in South Asia*, Volume 2, November 1, 2006.

Ranjit Singh Ghuman, *Indo-Pakistan Trade Relations*, New Delhi: Deep & Deep Publications, 1986, p.81.

The bilateral trade agreement of January 1975 somehow restored trade deficit for three years to begin with. In March 1983, *India-Pakistan Joint Commission* (IPJC) was established<sup>33</sup> for intra-state cooperation in diverse fields. At its first meeting in June 1983, four sub-commissions were instituted to promote India-Pakistan bilateral co-operation in the areas of economy, health, science, technology, sports, travel, tourism and consular matters. Pursuant to setting up and the subsequent meetings of the India-Pakistan Joint Business Council in and after July 1989, the two countries issued the Lahore Declaration, whereby India-Pakistan Chamber of Commerce and Industry was established on April 10, 1999 to suggest measures for transcending hiccups to India-Pakistan economic co-operation in the fields of banking, insurance, medical, travel and human resource development.<sup>34</sup> However, despite all these efforts, the overall extent of India-Pakistan bilateral trade remained abysmally low notwithstanding great potential,<sup>35</sup> and even, in that too, the share of Poonch-Rawalakot trade was almost negligible. Perhaps to take note of such constraints, the two countries initiated Composite Dialogue Process (CDP), under which their Commerce Secretaries met in Islamabad on August 11-12, 2004 to discuss modalities for economic and commercial cooperation in the foreseeable future. The meeting resulted in the framing of the Indian-Pakistan Joint Groups (JSG) under the two Commerce Secretaries, which meeting was held on February 22-23, 2005.<sup>36</sup>

Meanwhile, Kashmir experienced unprecedented earthquake, which entailed prompt relief for disaster management; hence, softening of rigid borders, for which the JSG constituted two Working sub-groups on Customs Cooperation and Trade Facilitation and Non-Tariff Barriers (NTBs), and mutually fixed the terms of

Kanti P. Bajpai, P.R. Chari, Pervaiz Iqbal Cheema, Stephen P. Cohen and Sumit Ganguly, *Brasstacks and Beyond: Perception and Management of Crisis in South Asia*, New Delhi: South Asia Books, 1997, pp.1-10.

The Hindu, New Delhi, India, April 11, 1999.

Biswajit Dhar, "Indo-Pak talks on Economic Cooperation: Small but important Steps," *The Economic Times*, New Delhi, India, May 2, 2011.

Aushtoush Misra, "An audit of the India-Pakistan Peace Process," *Australian Journal of International Affairs*, Vol.61, No.4, December 2007, p.520.

reference for them in its two meetings held in August and September, 2005 to discuss issues pertaining to air and trade services, shipping protocol, sea trade and the opening of a fibre optic link between Amritsar and Lahore, abolition of Non-Tariff Barriers apart.<sup>37</sup> The third meeting held in Islamabad on March 28-29, 2006 discussed broad range of issues regarding banking, tea trade, shipping, export trade, IT and medical services. Both sides expressed satisfaction over ratification of the *South Asian Free Trade Agreement* (SAFTA) by all SAARC member states, which sufficed to boost intra-regional trade in the foreseeable future.<sup>38</sup> The Fourth Round of India-Pakistan Talks on economic and commercial cooperation was held on July 31-August 1, 2007 at New Delhi. While the Commerce Secretary, Shri G.K. Pillai, led the Indian delegation, Pakistan was represented by Syed Asif Shah, Secretary of Ministry of Commerce.<sup>39</sup> The talks held in a cordial and constructive atmosphere, resulted in a joint declaration that sought to restore Srinagar-Muzaffarabad and Poonch-Rawalakot routes for limited trade and traffic in 2008.

## b) Growing Bilateral Trade & Allied Benefits

Since then, the trend in their bilateral trade along the Poonch-Rawalakot trade, has been on the rise as is indicated in the following Table:

K. S. Manjunath, Seema Sridhar and Beryl Anand, "Indo-Pak Composite Dialogue 2004-05: A Profile," *Institute Of Peace and Conflict Studies* (IPSC), New Delhi, Special Report 12, February 2006.

Joint Statement, Third Round of Pakistan-India Talks on Economic and Commercial Cooperation, Islamabad, March 29, 2006, <a href="http://meaindia.nic.in/jshome.htm">http://meaindia.nic.in/jshome.htm</a> (Accessed on December 1, 2012).

Joint Statement on the Fourth Round of India Pakistan Talks on Economic and Commercial Cooperation, New Delhi, August 1 2007, <a href="http://indembkwt.org/press/aug0101.htm">http://indembkwt.org/press/aug0101.htm</a> (Accessed on December 1, 2012).

Table-I
Showing Year-wise India-Pakistan Trade Volume and their
Value in Indian (IC) and Pakistani (PC) currencies<sup>40</sup>

S. No.	Year	Value of Outgoing Goods in (IC)	No. of Outgoing Trucks	Cost of Incoming Goods in (PC)	No. of Incoming Trucks
01.	2008 – 2009	3952590	42	6066469	23
02.	2009 – 2010	671667726	1492	1270719583	1560
03.	2010 – 2011	887602126	1836	1713454440	1626
04.	2011- 2012	758260593	2020	1235179684	1255
	Total	2321483035	5390	422540176	4464

The Table suggests a growing trend in Indo-Pakistan bilateral trade over the Poonch-Rawalakot route, though trade balance appears to be in India's favour obviously for her strong economic growth and a wide variety of products. However, the decrease in trade volume in 2011-12 is attributed by the officials of the District Industries Department Poonch to the abrupt hike in taxes by the respective governments without consulting the concerned trade unions, which eventually led to the suspension of LoC trade for three months from June 2011-August 2011. Subsequently, things improved and 3,295 trucks crossed the Zero Line alone up to May 31, 2012. With a brief spell of trade condensation due to India-Pakistan cross-LoC army killings, the bilateral trade was resumed though its extent and share of local produce in it is not only limited but also loaded with several inextricable problems.

The trade is based on the barter system and the commodities are exchanged usually on four days in a week, i.e. Tuesdays, Wednesdays, Thursdays, and Fridays. On an average, fifteen trucks cross LoC on each day with varieties valuing crores of

Status Report of Cross-LoC Trade through Chakan-Da-Bagh Poonch, Office of the General Manager, District Industries Centre, Poonch (Custodian Trade Facilitation Centre Chakan-Da-Bagh Poonch).

Based on interview with Abdul Hameed, General Manager District Industries Poonch on June 7, 2012.

rupees. The commodities so traded are for local consumption at Poonch, Rajouri and Jammu in J&K and Rawalakot, Hajeera, and Kotli in PAK, and the surplus there of is transported onwards to proper Indian and Pakistan markets, earning thereby lots of money to the locals in the process.<sup>42</sup>

The Poonch traders usually trade in local commodities like pulses (*rajm'ah*), onion, paper machie, herbs, medicines, vegetables, wheat etc., whereas the traders of Rawalakot, Hajeera, and Kotli trade in Peshwari boots, dates, onions, and clothes.<sup>43</sup> However, trade conducted from Poonch side generally in red chillies, Indian spices, kidney beans (*rajmah*), tomatoes, onions, and potatoes, account for 89.60 per cent of all traded goods with Rawalakot/Hajeera/Kotli in PAK.<sup>44</sup>

Most of the local farm products of Poonch are the result of shift in cropping pattern due to growing demand from the other side of the LoC in PAK. To quote Ghulam Hassan Khan, "Before the reopening of the said route, I cultivated wheat and maize in my farm land. Being hardly profitable, I started cultivating kidney beans (*rajmah*) for it is in great demand in PAK and is thus comparatively lucrative. Accordingly, I export hundreds of quintals of *rajmah* and earn crores of rupees per annum." Yet another trader from Poonch unfolded, "I do business in onions which I produce in my own land. Earlier, I used to send them to Jammu for sale but after reopening of the route, I export them to PAK, and earn lots of profit compared to Jammu sale. Earlier its sale was worth Rs. 1 lakh at Jammu. Now it has almost doubled, and so has its cumulative profit increased by fifty per cent. The profit so earned enabled me to establish my own transport company which gives job to around

Based on interview with the local residents of Poonch on June 11, 2012.

Based on interview with the group of traders near Cross LoC trade Centre Chakan-Da-Bagh Poonch on June 11, 2012.

Sayem Ali, "Cross LoC trade: Success against all odds," *Kashmir Institute of Economics*, University of Azad Jammu & Kashmir Mercy Corps Pakistan, 2012, p.17.

<sup>&</sup>lt;sup>45</sup> Based on interview with Ghulam Hassan Khan, a resident of Gulpur Poonch on June 6, 2012.

fifty persons. The said profit changed my life style overnight from a trader to an owner of the company."46

Craft products of Poonch are also in much demand in PAK. These include traditional hand-made shawls and embroidered specimens of cloth. <sup>47</sup> Earlier the craftsmen sent them to Jammu, Amritsar and Delhi markets for sale with little profit. After re-opening of the route, the locals directly export these cottage products to PAK, which is their suitable market and earns them huge profits. Such craft products are in great demand in Muzaffarabad, Lahore and Karachi, and contribute a great deal to the stimulation of India-Pakistan bilateral trade. According to Trade Facilitation Officer, the cross-LoC trade is worth Rs. twenty crore per week, of which Rs. fifteen core, is appropriated by the People of Poonch and rest by other people of the Valley. <sup>48</sup>

The Poonch traders also deal in export of mutton and poultry to PAK. Since, the local share is just negligible in it, they acquire the supplies from Jammu, the Punjab, Rajasthan and Delhi, for export to Rawalakot in PAK. According to the President of *Anjuman-e-Ta'jira'n Hajeera*, Moulvi Lateef, the prices of such poultry and dairy products are quite high in PAK. These are, therefore, imported into from across-LoC in Poonch. One kilogram of mutton costs only Rs.120 in Poonch as compared to Rs. 270 in Hajeera/Rawalakot.<sup>49</sup> One trader of Poonch, Pawan Anand, reports that annually 72,000 tons of mutton and poultry are exported to PAK and sufficient profit accrues on its account to the dealers.<sup>50</sup> He referred to Fareed Mir from Poonch city, who used to obtain poultry supplies from a Delhi-based poultry firm. But after re-opening of the route, he runs his own poultry farm and makes direct supplies

Based on interview with Shamsheer Khan, a resident of Ajote Poonch on June 10, 2012.

Based on interview with elderly people of Karamara, Gulpur, Faqirdara (Poonch ) on June 2, 2012.

Based on interview with Abdul Hamid, Trade Facilitation Officer Poonch on June 6, 2012.

<sup>49</sup> K.D.Mani, "Cross-LoCTrade:ProspectsandProblem," <a href="http://www.IPSC.org/article-details.php">http://www.IPSC.org/article-details.php</a>, articleNo.2785 (Accessed on May 11, 2013).

Based on interview with Pawan Anand, President of Cross LoC Traders Association at Poonch on June 4, 2012.

to PAK thereby earning huge profits from the poultry trade. Interestingly, some government employees of district Poonch indulge in the cross LoC trade of poultry products to PAK.

The tale of exports from PAK is similarly situated with a difference in commodity structure and share in trade volume. These exports in dry fruits including raisins and kishmish, lentils and carpets, make 86 per cent of all 'traded out" goods. <sup>51</sup> According to the *Trade and Travel authority* (TATA), goods worth \$US 101 million were 'traded out' from PAK to J&K between October 2008 and December 2011. This is approximately 1.1 per cent of PAK GDP in 2011. <sup>52</sup> Growth in 'traded out' goods remained above 100 per cent in the first two years of re-opening up of the two LoC trade points. The PAK exports mostly consisting of locally grown dry fruits including almonds and dry dates are in great demand in Poonch and other parts of the Kashmir Valley. <sup>53</sup>

No doubt, PAK merchants usually traded in the local products. But they also dealt in the supplies obtained from other parts of Pakistan, and these included Peshwari boots, prayer mats from Karachi and Lahore on item and quantity-based commission. For example, the cardamom import in ten truck loads that crossed Wagah-Attari check-post, valued 110 million Pakistani Rupees (PKR) including 5 million on customs duty @ 5 per cent on the value of each commodity. The same commodity, however, valued less by two million worth its value, which, more or less, left the profit of 1 million PKR with the local traders of Rawalakot. Such a profit attracts many PAK youth to join LoC trade on the Poonch-Rawalakot route.

Sayem Ali, "Cross LoC trade: Success against all odds," *Kashmir Institute of Economics*, University of Azad Jammu & Kashmir, Mercy Corps Pakistan, 2012.p.19.

<sup>52</sup> Trade and Travel Authority (TATA), Government of Pakistan Administrated Kashmir.

Based on interview with Mohd Akbar, a resident of Hajeera (PAK), whom the investigator met in Poonch on June 7, 2012.

Based on interview with the group of traders from PAK near Cross LoC Trade Centre Chakan-Da-Bagh Poonch and near Zero-Line (*Rah-i-Milan*) bridge in 2011 and 2012 respectively.

#### c) Job Opportunities and Change in Life Style

The reopening of the Poonch-Rawalakot road created job opportunities to the cross-LoC peoples in J&K and PAK, and left healthy impact on their life style. They had been pushed from the "main" to the "margins" for none of their faults, which had sequentially deprived them of the viable avenues of living. However, the re-opening dawned with a new hope for it created ample economic opportunities to 10,000 people comprising traders, drivers, loaders and other supporting staff in Poonch alone. <sup>55</sup>

Currently, Cross-LoC trade benefits 190 and 210 traders and their allied staff in Poonch and PAK respectively.<sup>56</sup> The unemployed youth numbering around 800 earn employment by performing variety of jobs related to the cross-LoC trade at Chakhan-Da-Bagh, and more so on the other side of the LoC.<sup>57</sup> The opportunity of job earning is bright enough on the PAK side for the low literacy rate compared to J&K. Therefore, the youth have no inhibitions there in performing all sorts of physical jobs associated with the trade.

Particularly, the cross-LoC trade benefits the villagers of Ajote, Karamara, Khadi, Gulpur, and Faqirdara in Poonch district in J&K because these villages are in the immediate proximity of the borderline. They reap benefits on different counts: they host and provide logistics to the incoming visitors from PAK, which resultantly supplements their resources, enhances their buying power and improves their standard of living. The villages and the residents of Devigala, Khalipadi, and Badia near Rawalakot in PAK are similarly situated and benefitted through trade-allied engagement in agriculture, industry and transport.<sup>58</sup>

Syed Yasir, "Boycott of Cross-LoC Trade Continues despite CMs assurance," *The Kashmir Times*, Srinagar, J&K, India, January 7, 2011.

This information was furnished by the General Manager, District Industries Department, Poonch Office on June 2, 2012.

Based on interview with Pawan Anand, President of Cross LoC Traders Association Poonch on June 1, 2011.

Based on the information sought from different respondents in Poonch district in June 2011 and June 2012 respectively.

#### d) Benefits from Agriculture, Industry and Transport

Pursuant to restoration of Cross-LoC trade and traffic, the border peoples returned to their original occupations and upgraded them in accordance with the market demand from both sides of LoC. They re-engaged themselves in agriculture as a sustainable source of living and carried out change in cropping pattern to make the industry productive and profitable.<sup>59</sup> Quite precisely, they raised all such crops as formed a part of the local trade along the Line of Control (Zero Line). Besides traditional crops of maize, wheat, rice, pulses, they specialized in the production of onions, potatoes, tomatoes, and other lucrative products to become self-sufficient and enhance family income. Nearly 1200 hectares of land was brought under cultivation after peace was restored near the Zero Line.<sup>60</sup> In view of growing demand, they developed orchards to supplement their resources with which to live a good if not a better life along the borders.<sup>61</sup>

Likewise, they set up and upgraded small-scale industrial units to cater to the needs of Cross-LoC trade. Besides, enhancing the volume of craft products to align with Cross-border demand, they carried out manufacturing of card boxes required for packing and transportation of cotton clothes, dry dates, paper machie and the like products from J&K to PAK. In addition, they manufactured various types of sacks for package of potatoes, vegetables and pulses etc., and such packing items were manufactured in small craft units situated near the Cross LoC Trade Centre of Chakan-Da-Bagh. 62

Last but not the least, they took up transport industry to ferry people and transport goods from producing to the consuming areas. To quote the owner of the Anand Hotels, "In addition to providing hotel and restaurant facilities, I provide transport services to them to reach to their kith and kin in villages distant from the

Based on interview with the Local residents of Karamara, Poonch on June 13, 2012.

Based on interview with Jatinder Singh, Additional Deputy Commissioner, Poonch on June 14, 2012.

Based on interview with labour Shamsheer Khan of Gulpur village in Poonch on June 11, 2012.

Based on the field work conducted by the investigator from June 2011 to June 2012 respectively.

borderline. This has not only increased my income but also facilitated me to serve my fellow brethren from other side of LoC."<sup>63</sup>

#### **III. Restoration of Infrastructure:**

The reopening of Poonch-Rawalakot road facilitated the restoration of necessary infrastructure from both sides of LoC. Due to the Partition of Indian sub-continent in 1947, defacto division and Indo-Pak wars on Kashmir, and oft-recurring cross-border army firings, the entire space on both sides of Line of Control (LoC) had become depopulated. People had migrated to other areas for safety and the whole land along the border presented a desolated look.<sup>64</sup> However, as a sequence of India-Pakistan ceasefire in 2003 and reopening of the Poonch-Rawalakot route in 2008, the said land bubbled with vegetation and population. The original residents returned to their ancestral land for agriculture and repaired their abandoned dwellings or constructed new ones along with small type of tea shops, the dhabas, for earning livelihood. To quote Jatinder Singh, Additional Deputy Commissioner Poonch, "we have unconditionally allowed around thirty persons to construct dhabas, hotels, and restaurants near the Cross-LoC trade Centre at Chakan-Da-Bagh to boost their family economies and facilitate the cross-LoC movement of people. 65 A local dhabawala admitted to have earned a lot since 2008 in Poonch. He perceives opening a new hotel near the trade centre provided the authorities permit. 66 Many people opted to run transport services for ferrying people from and unto Zero Line. In the long run, it will address the problem of unemployment and prevent the youth from pursuing a radical path. To quote Sheikh Rasool, "entire fabric of LoC changed overnight; habitants living close to bunkers from Poonch to Chakan-Da-Bagh and from Chakan-Da-Bagh to Tetrinote seemed to have got rid of suffocation in a new environment. Residents

<sup>&</sup>lt;sup>63</sup> Based on Interview with owner of Anand Hotels at Poonch on June 13, 2012.

<sup>&</sup>lt;sup>64</sup> Based on interview with the Local residents of Faqirdara (Poonch) on June 10, 2012.

<sup>65</sup> Based on interview with Jatinder Singh, Additional Deputy Commissioner Poonch, on June 6, 2012.

<sup>&</sup>lt;sup>66</sup> Based on interview with Joginder Singh a Dabawala in Poonch on June 11,2012.

who had to flee homes due to heavy shelling and nightmares returned."<sup>67</sup> Therefore, the reopening led to the construction of roads, shops, houses, and other infrastructure for residence, trade and habitation on both sides of Poonch and Rawalakot route. As its corollary, the Kashmiri business communities used the opportunity to build cross-LoC peace constituencies in the form of Traders Associations and Joint Chamber of Commerce.

#### IV. Humanitarian Benefits:

# a) Re-Union of Divided Families:

Since emotions have been attached with this Cross LoC trade route from early times, its reopening, as such, provided a great psychological respite to the divided families of the border areas in J&K and Rawalakot PAK.<sup>68</sup> The relief was variegated in quantitative, psychological, and economic terms.<sup>69</sup> The divided families of Poonch in J&K expressed their strong desire for round-the-year cross-border trade and traffic as was characteristic of it before the Partition and the formation of two nation states.<sup>70</sup> While 2005 earthquake was alarmingly catastrophic as regards human loss and damage of property, it nonetheless provided the border peoples an opportunity to meet each other and cut across territorial and religious borders.<sup>71</sup> On May 7, 2005, thirty members of divided families visited each other through a fortnightly bus service.<sup>72</sup> Nasiruddin from Muzaffarabad PAK was one of the first lucky ones to board the peace bus. He had last travelled this route when he was eighteen months old, and, along with his mother, had gone to visit his aunt in Bafliaz town in Poonch district.

Sheikh.Rasool, "LoC trade and travel under severe stress," *The Kashmir Times*, Srinagar, J&K, India, June 9, 2011.

Arjimand Hussain Talib, "Re-thinking LoC trade," *Greater Kashmir*, Srinagar, J&K, India, September 14, 2008.

Based on interview with Pawan Anand, President of Cross LoC Traders Association at Poonch on June 8, 2012.

Based on interview with the local residents of Poonch, in June 2011 and 2012 respectively.

<sup>&</sup>lt;sup>71</sup> *Dawn*, Karachi, Pakistan, November 1, 2005.

Debidatta Aurobinda Mahapatra, "Bus running for Reconciliation," *Mainstream*, New Delhi, India, 63 (20), 2005: pp.27-29.

Sadly, neither he nor his mother could return to their hometown in PAK due to the abrupt closure of road. "My mother's last wish was to be buried in Muzaffarabad, which could not happen. Even when I went on the Hajj (pilgrimage), my only desire was to once again see my homeland and meet my cousins, nephews, aunts and uncles there. Many of my co-villagers, who could not board the bus, gave me many gifts and letters for onward transmission to their separated ones in Poonch on the other side of the LoC."<sup>73</sup>

Under damage control policy, the said route was kept open even much after 2005 catastrophe, which provided sufficient occasions to divided families to visit each other and feel excited after long spell of separation as was learnt by the investigator during his empirical studies in Poonch in 2011 and 2012 respectively.<sup>74</sup> In February 2007, about two hundred people of Sikh community had gathered in the Poonch city to receive one of their relatives, Nand Kishore, from Kotli Rawalakot. Originally a Sikh and a resident of Surankote, about 30 km from Poonch towards Jammu, he had been stuck up in Rawalakot due to sudden border closure, and in the process of settlement, had converted to Islam, adopted a Muslim name, Jalal Khan, and become a clergy, the Moulvi. He felt exhilarated on seeing the warm welcome despite his change of faith indicating strong kinship ties with no religious bias. Perhaps it would make an interesting study on the conversions following border closure due to Indo-Pak conflict. 75 Similarly, one Savitri, 61 years old, was married in Kotli and her elder brother, Vishnu Mohan, used to regularly visit her through the same route. The sisterbrother relation had condensed due to rigid border and was revived after reopening of the route with tears rolling down their eyes on meeting as was reported by Shashidhar, an advocate in Rajouri District Court who used to accompany Vishnu Mohan to his sister on the other side of the Poonch-Rawalakot route. Likewise, on interviewing Mohmmad Banu of Potha Billin in Poonch, tears rolled down her eyes on narrating

Shekhawat and Mahapatra, Contested Border and Division of Families in Kashmir: Contextualizing the Ordeal of the Kargil Women, New Delhi: Wiscomp, 2009, pp.17-27,

Based on interview with the local residents of Poonch, in June 2011 and June 2012 respectively.

<sup>&</sup>lt;sup>75</sup> Shekhawat and Mahapatra, Contested Border and Division of Families in Kashmir: Contextualizing the ordeal of the Kargil Women, New Delhi: Wiscomp, 2009, p.17.

the painful story of separation and excitement following the meeting of her elder brothers and their children from Gujranwala in Punjab province of Pakistan.<sup>76</sup>

The real happiness returned to the faces of the separated peoples when reopening of Poonch-Rawalakot route was formalized in 2008 under Indo-Pak confidence building measures (CBMs). Pawan Anand, President of Cross LoC Traders Association of Poonch, recounted the whole scene of enthusiasm in presence of state dignitary, Mr. Tyabji, the then advisor to Governor J&K. He reported: "A gathering of nearly a thousand persons from both sides was soon immersed in deep emotions. Then it was hardly anyone's concern as to who was the chief guest. Among the locals hardly anyone didn't have tears in their eyes. For a moment there was no distinction between Muslims, Hindus and Sikhs on meeting their kith and kin, friends and neighbours. They sat in groups of threes and fours talking about olden days of the shared past. They had brought gifts, mostly eatables and cooked food for exchange. Many of them ate together at the Zero point. I had never seen, heard or read about such sensational scenes, indeed inexpressible in words. Though majority of them were traders yet none talked about trade. Most of us had actually gone there to assess the dynamics of trade to follow on the reopening of the route. The speech of Governor's adviser, Mr Tayabji, was not that important as that of the meeting of the divided families and their members. Many of them offered prayers, kissed the ground and took home many things including the earth from both sides of the LoC. Personally I met a driver, Javeed from Hajeera in PAK, the place where from our family had actually migrated to Poonch in 1947. I enquired from him about our relatives, and incidentally, at the end, Javeed turned to be my maternal uncle who had converted to Islam, a joyful occasion nonetheless. The whole day passed so hurriedly that one had no concept of time and space." It was thus a culmination of a process of reintegration of divided families that had begun with 2005 earthquake. The following year-wise information is indicative of mutual human exchanges via Chakan-De-Bagh Poonch:

Debidatta Aurobinda Mahapatra, "Poonch for Peace: An eye Witness Account," *Kashmir Times*, Srinagar, J&K, India, May 6, 2007.

Table-II<sup>77</sup>

S. No.	Year	Kashmiri Visitors to PAK	PAK Visitors to J&K	Grand Total
01.	2005	7	4	11
02.	2006	388	640	1028
03.	2007	617	1032	1649
04.	2008	1199	1338	2537
05.	2009	695	1221	1916
06.	2010	327	735	1062
07.	2011	389	1270	1659
08.	2012	102	302	404
G. Total		3724	6542	10266

The above table reveals that 2008 was the boom year for being the culmination of Indo-Pak peace process for conflict resolution through dialogue; hence, it experienced the largest number of people crossing the LoC at Chakan-De-Bagh Poonch. Further, the LoC crossings from PAK into J&K was almost double the number than from J&K to PAK. Again, the decline in the number of visitors from either side in and after 2009 was the offshoot of the 26/11/2008 Mumbai terror attack and its impact on the furtherance of the Indo-Pak peace process and also the recent cross-LoC army killings from both sides. These unhealthy developments precipitated the crisis, which automatically delayed issuance of visa to the people for smooth trade and traffic.<sup>78</sup>

Office of the General Manager District Industries Centre Poonch (Custodian Trade Facilitation Centre Chakan-Da- Bagh Poonch).

Based on interview with Abdul Hamid, General Manager, District Industries Centre, Poonch on June 7, 2012.

#### b) Restoring Relationships & Removing Misunderstandings:

Except brief intervals, Cross-LoC interactions improve with every passing day, and the border groups and communities maintain friendly ties above religious considerations. While the trading community of Rawalakot in PAK comprises the Muslims, their Poonch counterparts in J&K profess Hinduism as their faith. Notwithstanding this, they conduct business and contribute restoring inter-communal harmony. Commenting on these types of people-centric initiatives, a local resident of Hajeera (PAK) reported, "Since Partition till June 2012, when I first visited Poonch, I understood that Muslims of Poonch were deprived of all rights, and were mistreated by the Hindus. But my first visit to Poonch in J&K disproved my understanding and opened my eyes to the real facts. Such misconceptions can be removed only through people to people contacts." S.N.Khajura, Chairman Border Area Mission Committee Poonch, also opined that cross-LoC movements removed many such misconceptions from both sides of the LoC.

In this way, the medium of trade metamorphosed the local mindset from "conflict to "reconstruction" and "hatred to "mutual love," despite their divergent ideological perception about Kashmir issue. The Jammu region is on the same page with the Valley and PAK on the issue of cross-LoC trade.<sup>83</sup> The meeting of cross-LoC border communities, formation of various cross-LoC trade associations and softening

Zafar Choudhary, "Cross-Line of Control trade: Changing the mindset in Jammu region," *Trade across the LoC*, Conciliation Resources, London, Discussion Papers, December 2010, p.31.

Aysha Saeed, "Trading for Peace in Kashmir," *Building Peace Across Borders*, Conciliation Resources, London, Issue 22, 2011, p.82.

Based on interview with Mohd Akbar, a local resident of Hajeera (PAK) 0n 07-06-2012.

Ayesha Saeed, "Intra-Kashmir Trade and the Logic of Strategic Peace Building," *Jammu and Kashmir Trade across the Line of Control*, Conciliation Resources, London, Discussion Papers, December 2010, p.17.

Zafar Choudhary, "Cross-Line of Control Trade: Changing the Mindset in Jammu Region," Trade across the LoC, Conciliation Resources, London, Discussion Papers, December 2010, p.34.

of linkages would go a long way in creating a peaceful ambience for communal harmony in the region at large.

Due to Kashmir conflict, the border peoples of J&K and PAK were distanced from each other, and hardly recognized as a party in the conflict. This eventually prevented any meaningful interaction between them. On the contrary, their mutual relations based on common kinship were badly affected. However, the belatedlybegun trade and travel package provided an opportunity to them to throw up a bottomup approach in peace building and "cross-border partnerships for peace" for regional security and development.<sup>84</sup> The local politicians on both sides of the divide, now increasingly support the said magnanimous human perception for intra-Kashmir connectivity. M.Y. Tarigami, Communist Party of India (Marxist) MLA from J&K, emphasized on liberalizing the travel and trade regime and evolving mutual understanding for resolving Kashmir dispute. He urged both countries to share the responsibility and initiate a visionary and credible peace process to put an end to the human tragedies in the state. 85 Similarly, People's Democratic Party (PDP) President, Mehbooba Mufti, viewed LoC trade as a positive step that "symbolized a change in the mindsets of India and Pakistan towards Kashmir, and an acknowledgement of the need to address the siege that the state had fallen into." She underscored that the trade is the strong instrument for fostering peace, development, growth, and ultimate resolution of the Kashmir issue.<sup>86</sup>

The politicians and diplomats from other side of the LoC carry the similar impressions about the reopening of the LoC trade in Poonch and Rawalakot. Pakistan Foreign Minister, Hina Rabbani Khar, emphasized on the need to review the policies and strategies adopted over past sixty years. "We are ready to open all border routes with India especially in J&K, which will not only benefit the people of the concerned

AyshaSaeed, "Trading for Peace in Kashmir," *Building Peace Across Borders*, Conciliation Resources, London, Issue 22, 2011, p.82.

Shujaat Bukhari, "Liberalise trade and travel regime across LoC: M.Y. Tarigami," *The Hindu*, New Delhi, India, 13 May 2011.

<sup>&</sup>quot;Cross-LoC trade: Mehbooba calls for PM's intervention," *The Kashmir Times*, Srinagar, J&K, India, June 1, 2011.

region but will accelerate people to people contacts, their economies, and will generate good will between India and Pakistan. I can assure you of a positive mind set with which we will review all the proposals leading to the re-opening of all traditional routes in near future?"87 In the like manner, PAK Prime Minister, Sardar Attique Ahmad, strongly urged to reduce the intensity of the highly militarized Line of Control for transforming it into a functional line of commerce over all trade routes that existed before the Partition.<sup>88</sup> The barter-based intra-Kashmir trade through Poonch-Rawalakot should be monetized by involving banks so that trade on both sides of the divide becomes easier and feasible. Former PAK High Court Chief Justice, Abdul Majeed Malik, 89 at a marathon gathering of the civil society delegates from both sides of the Line of Control assembled, impressed upon the two governments to ease out trade, tourism, and travel along the LoC as a key to conflict resolution in the long run. 90 He urged upon the peace bashers to shun malice and promote mutual ties for regional security. Further, he emphasized on India and Pakistan to realize that people of J&K had legitimate rights to free communication, movement and expression.<sup>91</sup> Amina Bibi, member of Gilgit/Baltistan Legislative Assembly, recalled her roots in Kargil and called for re-opening Kargil and Iskardu route under CBMs. Aziz Ahmad Khan former Pakistan High Commissioner to India called for the timely and positive role of the civil society to the above effect.

Iftikhar Gilani, "Pak, ready to look beyond Past," *Daily News Agency (DNA)*, New Delhi, India, 8 September 2012.

<sup>&</sup>lt;sup>88</sup> "Change LoC into Line of Commerce, "The Express Tribune, Karachi, Pakistan, 20 April 2012.

Justice (Retd.) Abdul Majeed Malik spoke on "Cross–LoC Civil Society Dialogue" in a conference organized by the New Delhi-based NGO-Centre for Dialogue and Reconciliation in Jammu in December 2012.

<sup>&</sup>quot;Cross LoC Civil Society demands liberalised trade, travel regime," *The Nation*, Lahore, Pakistan, December 23, 2012.

<sup>91</sup> A H Rao, "Cross LoC J&K Civil Society dialogue begins in Jammu," *Pakistan Observer*, Islamabad, Pakistan, December 16, 2012.

#### c) Building Trust and Confidence:

Undeniably, the two countries reopened the route under compulsion rather than the conviction. They still fear each other and the Kashmir conflict is still unresolved. The resumption of peace talks has yielded the results to the extent of reviving traditional routes only for limited trade and traffic. Trade is not even hassle free and the borders are tight for the free movement of the people and commodities, indicating thereby the priority of the two countries for security rather than the humanitarian considerations. Nevertheless, different elite groups and civil society members appreciate the need of the peace on both sides. Consequently, peace building organizations and peace constituencies existing on both sides of the LoC, strive to exploit the "route reopening" for building India-Pakistan mutual trust and confidence. That cross-LoC trade relations were not disturbed by the Mumbai attacks is indeed encouraging. It shows that a "bottom-up" approach to peace building is taking shape in Kashmir. Although intra-Kashmir trade cannot resolve or dilute underlying political dispute, nonetheless it offers a platform for reconciliation and broader understanding. 92 This is what the civil society, 93 political elite, electronic and print media, 94 women's organizations<sup>95</sup> and the forums like Pugwash, <sup>96</sup> have been emphasizing on since 2008, and this is what contributed to India-Pakistan trust building through CBMs and the reopening of traditional routes for trade and traffic.

Ershad Mehmood, "Bringing Peace and development: A case study of Intra-Kashmir Trade," *Jammu and Kashmir, Trade across the LoC*, Conciliation Resources, London, Discussion Papers, December 2010, pp. 32, 34.

Greater Kashmir, Srinagar, J&K, India, October 14, 2011.

Radha Kumar, *Negotiating Peace in Deeply Divided Societies*, New Delhi: Sage Publications India, 2009, p.272.

<sup>&</sup>lt;sup>95</sup> *Greater Kashmir*, Srinagar, J&K, India, November 13, 2011.

Moeed Yosuf (Part I), Sandra Butcher (Part II) and Paolo Ramsino, Composite Report of Pugwash Consultations of Pakistan, June-October, 2009, Pugwash Conferences on Science and World Affairs, Islamabad, March 2010, pp.40-41.

### V. Cross-LoC Reopening: A Prospective Project:

# a) Educational Cooperation

The trend of cross-LoC re-openings is prospective of Indo-Pak multilateral cooperation in diverse fields. Recent researchers have identified possibilities of cross-LoC educational cooperation at different levels. These range from formation of cross-LoC Vice Chancellors' Consortium<sup>97</sup> to scholarly exchanges, mutual vocational training and human resource development programmes, which, in aggregate, is set to scale down decades-old pessimism on both sides of LoC. Exchanging students for higher studies in two countries is already in place under SAARC agreement. But, there is really no provision for institutional cooperation between the universities or colleges of J&K and PAK. However, the investigator came across a number of visitors from PAK at the Zero Line (*Rah-i-Milan* bridge), who aspired to send their wards to Kashmir for higher education as the Valley, they said, has had a rich knowledge and educational past, and is still qualitatively attractive for the PAK students.

#### b) Tourism

#### (i) Religious Tourism

Similar cooperation can be extended to the tourism sector in general and religious tourism in particular. True people on both sides hold two diametrically opposite ideologies. Nonetheless, Sufism provides them a rallying point in view of the region's rich tradition of multiculturalism. Shrines dedicated to great Sufis and saints coexist across the border points, and the people, irrespective of their different faith, visited and esteemed them before the Partition. Such shrines can be thrown open to develop people-to-people contacts and promote communal harmony as a key to marginalize

The Cross-LoC Vice Chancellor's forum was formed in November 2011 at a meeting held in Istanbul, Turkey. Educational practitioners including VC's of leading universities from both sides of the LoC participated in the same.

Ambassador Arif Kamal & Prof. Siddiq Wahid, *Educational Opportunities: Cooperation across the Line of Control*, Discussion Papers, Conciliation Resources, London, December 2010.

mutual hatred and malice, and turn borders irrelevant. 99 Needless to mention, people of Poonch and Rawalakot shared common historical and cultural past until they were segregated by the artificial borderline. The case of cross-LoC tourism in the former princely state of Kashmir<sup>100</sup> is a distant reality though, yet it is uniquely favorable for cross-LoC tourism provided India and Pakistan exhibit a will to promote it while keeping legal, territorial and political differences at bay. 101 Their mutual understanding can, as such, transform "Cross-border conflict" into what is termed as the "Cross-border tourism." The necessary infrastructure and other logistics is already in place in J&K for religious, leisure, and adventure tourism, 102 and obviously so in Pakistan as well. Poonch and Rajouri abound with numerous Sufi shrines which are visited and revered by the Hindus, Sikhs and Muslims alike, and these particularly include the shrines of Shahdra Sharif (near Rajouri), Chota Mian (Mendhar), Budha Amarnath, Sai Miran, and Nangali Saheb (all three near Poonch), which attract large number of devotees every year. Shahdra Sharif has the distinction of even attracting Christian devotees<sup>103</sup> from all over India. Until 1947, regular visitors drawn from different social, ethnic, and religious groups were wedded to these shrines. Even thereafter too, people from other side of LoC unofficially visited such shrines to fulfill spiritual and mundane ends.

P. R. Chari and Hasan Askari Rizvi, "Making Borders Irrelevant in Kashmir," *United States Institute of Peace Press*, Washington, D.C: Special Report 210, September 2008.

Suba Chandran, "Expanding Cross-LoC Interactions," *Institute of Peace and Conflict Studies*, New Delhi: *Issue Brief 131*, October 2009. p.81.

Suba Chandran, "The Decades ahead of Jammu, Kashmir and Ladakh," *Epilogue*, Jammu, Vol. IV, Issue 5 January 2010.

Ismail Khan, "Unlocking the Cross-border Trade Potential of Gilgit-Baltistan for Peace and Development" *Jammu and Kashmir Trade across the Line of Control*, Conciliation Resources, London, Discussion Papers, December 2010, p.50.

Pia Malhotra, "The Charm of Rajouri and Poonch," *Epilogue*, Jammu, Vol.IV, Issue 5, May 2010, p.36.

#### b) General Tourism

Apart from religious tourism, whole Poonch district has tremendous potential for recreational and adventure tourism, <sup>104</sup> and so is it there in entire PAK belt especially towards Gilgit and Baltistan regions. The Buddhist sites of Sharda, Sharda Fort, Kishan Ghati in Neelum, Hindu temples of Muzaffarabad<sup>105</sup> and Muslim shrines of Saheli Sarakar, Shah Mehmood Ghazi, Kaiyan Sharif, Pir Shah Ghazi, Khari Sharif, Baba Shaadi Shaheed, and Khwawja Ghulam Mohi-u-din in Rawalakot PAK, have been quite popular before the 1947 Partition. These are potentially suited to attract devotees from J&K and India and promote interfaith harmony as a pre-requisite for conflict resolution. <sup>106</sup> Rawalakot PAK is not evenly devoid of historical sites of great eminence for recreational, adventure and other types of tourism including paragliding and polo. PAK is already on world map of tourism, and foreign tourists visit the region in great numbers enabling the Pakistan governments to earn foreign exchange to the tune of Rs 7.3 million in 2005–06 and Rs 200 million in 2010–11. <sup>107</sup>

Thus like trade, restoration of tourism across traditional LoC can serve as a catalyst <sup>108</sup> for peace building between India and Pakistan. <sup>109</sup> It can create a huge constituency for peace. "I strongly recommend people-to-people contacts between Poonch and Rawalakot and India and Pakistan and whole South Asia," said Jatinder

Debidatta Aurobinda Mahapatra and Seema Shekhwat, "The Peace Process and Prospects for Economic Reconstruction in Kashmir," *Peace and Conflict Review*, Volume 3, Issue 1, 2008, p.12.

Virender Gupta and Alok Bansal (eds.), Pakistan Occupied Kashmir: the untold Story, New Delhi: Manas Publication, 2007, pp.184-85.

Mohd Ashraf, "Tourism as a CBM in J&K," *Institute of Peace and Conflict Studies* (IPSC), New Delhi, Issue no.147, April 2010, p.2.

Data based on the figures available in the PAK Department of Tourism, Archaeology and Planning and Development.

Mohd Ashraf, "Tourism as a CBM in J&K," *Institute if Peace and Conflict Studies* (IPSC), New Delhi Issue No.147, April 2010, p.1.

P.R. Chari, D.Suba Chandran and Shaheen Akhtar, "Tourism and Peace Building in Jammu and Kashmir," *United States Institute of Peace*, Washington D.C, Special Report 281 July 2011, p.6.

Singh, Additional Deputy Commissioner Poonch.<sup>110</sup> The merchant<sup>111</sup> and hotelier communities have the similar feelings about cross-LoC tourism,<sup>112</sup> as it would facilitate obliterating negative stereotypes on both sides of the border,<sup>113</sup> leave positive influence on hardliner politicians,<sup>114</sup> benefit all the sub-regional economies, and empower border communities of Rajouri and Poonch in J&K.<sup>115</sup> Strangely, for years together, policymakers in Islamabad and Muzaffarabad ignored the economic potential of cross-LoC tourism. It was only after the 2005 earthquake that they realized multilateral benefits of exploiting the region's natural and historical resources. In December 2005, the then Pakistani Prime Minister, Shaukat Aziz, during a visit to Rawalakot, announced that PAK would be opened for tourism to exploit the area's full potential and to help generate economic opportunities for its people<sup>116</sup>especially in the rural areas.<sup>117</sup>

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Based on interview with Jatinder Singh, Additional Deputy Commissioner Poonch on June 11, 2012.

Based on interview with traders at Cross-LoC trade Centre at Chakan-Da-Bagh Poonch on June 13, 2012.

Based on interview with owner of Anand Hotels on June 7, 2012.

Based on interview with traders at Cross-LoC trade Centre at Chakan-Da-Bagh Poonch on June 13,2012.

Teresita C. Schaffer, "Kashmir: The Economics of Peace Building", *Centre for Strategic and International Studies (CSIS)*, Washington, DC, CSIS Panel Report, December 20100, P.63.

Pia Malhotra, "The Charm of Rajouri, Poonch", *Epilogue*, Jammu, J&K, India, Vol. IV, Issue 5, May 2010, p.34.

<sup>&</sup>quot;Entire Kashmir to be Opened for Tourism, "The Nation, Lahore, Pakistan, December 13, 2005.

Virender Gupta and AlokBansal (eds.), *Pakistan Occupied Kashmir: the untold Story*, New Delhi: Manas Publication, 2007, p.162.

# **Summary and Conclusion**

Eurasia was known for a transcontinental highway called the Silk Route by a German scholar, Ferdinand von Richtofen, in 1877. Antedating 2nd millennium BC, the said route spread over 4,000 kilometers, and connected China with Rome over India, Afghanistan, Central Asia, Middle East and Europe. In the wake of variegated trade in silk and other specialised industrial and farm products, the said route was instrumental in the intra-regional economic prosperity, people-to-people contacts and cross-cultural and cross-ideological integration. It was a source of deeply-intimated India-Central Asia connections since ancient times, which is borne by the mutual human exchanges and cultural and political influences. It lost importance with the discovery of the Sea Route in 1498 AD though, yet trans-border and inter and intrastate level trade on the same route connecting British India, China, Central Asia, and Afghanistan continued even till the end of the 20th Century.

Kashmir was also connected to the Grand Silk Route through a number of micro-level sub-routes across the Himalayas, Kunlun, Pamirs and Hindukush mountains. Since Kashmir was an important transit emporium in the regional trade, all such routes either converged at or originated from Kashmir's capital Srinagar and reached Tibet and Xinjiang via Ladakh, modern Tajikistan via Gurais-Bandipora-Gilgit, Afghanistan via Wakhan Corridor and Kabul Afghanistan via Baramulla-Uri-Muzaffarabad-Rawalpindi-Abbotabad routes.

One of the splinters of the Kashmir-bound Silk Route was the Poonch-Rawalakot route situated in Poonch in the Indian state of Jammu & Kashmir (J&K) and Rawalakot in Pakistan Administered Kashmir (PAK). The route though quite old, was actually rebuilt by the Rajas of Poonch and Dogra rulers (1846-1947), for trade, recreation and hunting at places like Hajeera, Pantheen and Devigala in PAK.

A number of villages and towns were/are situated along the said route right from Poonch to Rawalakot such as Salotri, Phantein, Khaigala, Akhorban, Ukhaldhara, Jullas, Kopra, Dhanni, Faqirdara, Hajeera, Sudhanti and Rawalakot. Though the population was formed of different religious and ethnic and sub-ethnic groups, yet it had a striking commonality as regards culture and trade dynamics. Further, most of

the population derived their livelihood from agriculture followed by cattle rearing and trade as secondary sources. The chief articles of trade along the said route comprised of silk, felts, salt, wool, medicines, spices, cotton cloth, indigo, kuth, saffron, Peshwari boots, kidney beans, *jae-namaz* (prayer mats). These were produced and manufactured in different parts of the region: for instance, kuth, shawls and saffron in Kashmir, carpets, jade and stones in Khotan, lapis-luzi in Badakhshan, prayer mats in Muzaffarasbad etc.

The merchant community consisted of traders from Poonch and Rawalakot. The local chiefs, the Rajas, also contributed to the intra-regional trade either through their agents or on the partnership basis. The women folk had a certain share in it for being the suppliers of food and fodder to the settled and the moving traders, the *caravans*. These cottage and farm products in trade were subject to taxes and cesses by the state. However, there was no uniform pattern of taxation, and, at times, taxes imposed were quite exorbitant, say under the Chieftainship of Raja Baldev Singh (1892-1918 A.D). Subsequently, however, Raja Rustam Singh of Poonch and his Dogra successors evolved a common taxation pattern for all commodities in trade. The taxes were realized only near the Poonch Fort, and in lieu of taxes and cesses, the merchant communities were given due protection of life and commodities by the state. Rest houses or caravan *sarais* were constructed for their stay and comfort during the 18<sup>th</sup>-19<sup>th</sup> century.

With this kind of agrarian and trade setting, the people of Poonch and Rawalakot in pre-1947 "Greater Kashmir" lived a good if not a comfortable life. The villages were self-sufficient units and produced almost everything to cater to the minimum needs of their inmates. The population was clustered in these socioeconomic nodes within kinship paradigms, and the inhabitants had a peaceful life with little or no sectarian or religious inhibitions.

Unfortunately, the smooth socio-economic process came to a standstill with the Partition of "Greater India" and Princely state of "Greater Kashmir" in 1947. No sooner two new nation states surfaced on the debris of the Greater India, than they clashed on Kashmir, and fought the first war in 1947-48, which was followed by a ceasefire and division of Kashmir into what constitute India Administered Kashmir,

the Jammu & Kashmir (J&K) and Pakistan Administered Kashmir (PAK) including Gilgit or Northern Areas. The division was marked by a strongly guarded artificial border line, the Line of Control (LoC). Despite division, the two countries stacked claim on J&K on ideological and historical grounds and vainly fought many more wars in 1960s, 1970s and 1990s. Under immense ill-will, animosity and mistrust, they built strong military systems with constantly mounting defence expenses over the years.

Several inextricable complications followed the above predicament. First, free trade and traffic and people-to-people contacts stopped. Second, the border peoples along the LoC were un-naturally separated from each other, notwithstanding their common historico-cultural and civilizational descent. Third, local trading community was thrown out of job. Fourth, the residents of the border areas were pushed from "mains" to the "margins," hence, deprived of the sustainable means of living. Fifth, infrastructural development went into the oblivion. Sixth, border communities were constrained to vacate their residences and agricultural fields on account of oftrecurring shelling along the LoC. Seventh, the division created humanitarian problems. Many parents of Poonch left behind their families in Rawalakot and vice versa, and were disallowed to see or visit each other after border closure and deployment of forces. Many of them left behind their landed, residential and other sorts of property on one or the other side of LoC. Eighth, the division led to the diminution of economic growth. Net State Domestic product (NSDP) at 12.45 per cent was resultantly far less than other India states. Ninth, the division forged mutual jealousy and enmity between the two states and their people. Naturally, they shifted their priorities from construction to conflict at the cost of human toll and damage to precious systems, structures and values.

War having failed to resolve Kashmir issue, the two countries ultimately chose to settle long-pending disputes through what is called as the "dialogue methodology." Several factors like globalization, and the pressure of civil society and international community contributed to the change of conventional India-Pakistan national mindsets. The said peace process having actually started in 2004 as a mutual *détente*, nourished due to 2005 earthquake in J&K and PAK. For relief and disaster

management, all traditional cross-border points in Kashmir were thrown and let open even up to and after 2006. This eventually proved an eye opener to the two Governments to formally engage in dialogue process and undertake certain confidence building measures to end conflicts. Several diplomatic and official-level meetings were held between the two countries from time to time, and on every occasion, the contending parties reaffirmed their strong belief in resolving issues through peace talks and confidence building measures (CBMs) including re-opening of traditional trade routes across J&K and PAK. Pursuant to this, two traditional trade routes, Srinagar-Muzaffarabad and Poonch-Rawalakot, were restored for limited trade and traffic in 2008.

However, the said process received a setback due to the Mumbai Terror attack on 26/11/2008, in which India suspected Pakistan's hand and which Pakistan has been regularly denying. Its spill over was such that the two countries were on the verge of yet another war, which, however, was averted: thanks to civil society and international community. It was almost four years after 26/11 that India-Pakistan restarted peace process as a follow up of the meetings of two Prime Ministers on the sidelines of SAARC conferences in Thimbu and Maldives and the regular meetings of their respective Foreign Ministers and Foreign Secretaries at different places and times. Under good-will gesture, India consented to issue six-months on-the-spot visas to senior Pakistan citizens and business groups from 15<sup>th</sup> January 2013 instant, with a rider that Pakistani merchant groups would visit every state except J&K, Kerala and the Punjab for security reasons. The gesture was well received by all stakeholders. Sushil Kumar Shinde, (Present Home Minister of India) stated that the new visa agreement would facilitate easy movement of people across the borders.

The level of trust and confidence building having substantially increased, both countries lately exchanged their lists of nuclear possessions, and resolved to reopen Kargil-Iskardu route in Ladakh and upgrade ongoing trade and traffic across the Srinagar-Muzaffarabad and Poonch-Rawalakot routes. The upgradation included increase in number of travel days from two to four, visa period from fifteen to forty five days etc. Lately, the killing of security personnel in cross-LoC firings pushed the

Indo-Pak peace talks into the background. Nonetheless, it did not affect the ongoing limited trade and traffic along the Poonch-Rawalakot on the specified dates and terms.

However, its complete reopening is looked with skepticism, lest militants, arms, and unregistered money enter Valley from PAK, though no such incident was ever registered or experienced along the Poonch-Rawalakot route since its reopening in 2008. In spite of this, some vested interests are inimical to the idea of its round-the-clock reopening. They fail to realize that because of its reopening in 2008, many divided families were able to see each other after long years of separation, and which symbolizes reunion of hearts and souls, and which in itself is due to restore Indo-Pak confidence against insurgency and resolve long-pending issues including the restoration of traditional trade routes.

It is true that existing LoC trade on the Poonch-Rawalakot road has a number of constraints and bottlenecks, which subject the trading and merchant communities to a lot of inconvenience. The margin of the trade benefit is not adequate in view of limited trade structure. A requisite infrastructure is not in place for storing and insuring goods in exchange. More than desired scrutiny and screening of goods causes un-necessary delay in offloading and reloading, which damages, per se, fresh fruits and depreciates their value in the market. Thus a fairly large scanning machine to scan the entire truckload at one time is deficient. Being based on barter system, the concept of money exchange is absent, which handicaps one to evaluate the value of goods in cash. The representatives of the traders associations have no provision of meeting or discussing ongoing trade dynamics. While PAK traders can make a telephonic call to their J&K counterparts for settling trade terms, their Indian counterparts are barred to do so for security reasons. Above all, the local traders have little or no role in the ongoing LoC trade. The business tycoons from metropolitan cities of India and Pakistan actually decide the terms of trade and its allied prices in terms of goods. They manage tax emption on Indian and Pakistani goods in the name of Kashmiri goods. Nonetheless, the local traders engage in LoC trade on the Poonch and Rawalakot route for emotional pursuits and friendly ties between India and Pakistan. They also cherish prospective benefits of the said trade in the years to follow provided India-Pakistan stay stable and consistent.

The matter of the fact is that re-opening of Poonch and Rawalakot route in 2008 even for limited trade and traffic has not been devoid of multiple benefits to the natives of the LoC in Poonch and Rawalakot. It reunited divided families of the same historic-cultural stock. Many of them were able to see and visit each other after more than ten decades, and each such occasion was celebrated with gaiety and joy. The debordering of LoC for human meeting actually started with the 2005 devastating earthquake, and it has no ending, till date, in spite of occasional spurts in Indo-Pak relations. The inmates on both sides shared joy and sorrow and exchanged gifts and presents under kinship bond. Though many of them had changed their faith during separation, yet on meeting, they felt excited irrespective of religious or national considerations. The husband-wife, brother-sister, uncle-aunt relations had ceased due to rigid borders. But on their meeting again, tears rolled down their eyes out of excitement. The India-Pak initiative evoked such response that the number of visitors from both sides of LoC increased from 11 in 2005 to 10,266 till 2012. In the process, the local mindset changed from "conflict to construction" and "hatred to "mutual love." The formation of Traders Associations on both sides of LoC comprising members of different ideologies and faith, exemplify the fact. They threw up a bottom-up approach in peace building and "cross-border partnerships for peace," regional security and development, which ultimately revived the age-old relations to a certain if not to the ultimate end. This explains why the academic, cultural and political elite from both sides of LoC supported India-Pakistan initiative on peace talks, CBMs and re-opening of ancient trade links. They urged upon the peace bashers to shun malice and promote universal brotherhood, communal harmony and people-to-people contacts along Srinagar-Muzaffarabad and other ancient transmission channels of erstwhile "Greater Kashmir."

Because of the Indo-Pak mutual understanding, reopening of the route offered an opportunity to restore and consolidate necessary infrastructure in the areas around LoC in Poonch and Rawalakot. The entire space had become depopulated and deserted due to sudden road blockade and oft-recurring shelling and army crossfirings. However, after ceasefire in 2003 and formal reopening of the route in 2008, the said space bubbled with habitation and vegetation. The original residents returned to their ancestral land for agriculture. They constructed houses or repaired their old

dwellings and raised hotels, tea shops, the *dhabas* etc. for earning livelihood. Many joined transport sector and purchased vehicles on loan for ferrying the visitors to the residence of their kith and kin on the two sides of the Zero Line. Roads, stores and offices were constructed for smooth trade and traffic. In fact, whole façade of the hitherto deserted area changed from despair to hope and infrastructural development.

The reopening of the route was not without economic opportunities to the peoples along 43 kilometers of LoC between Poonch, Rajouri and Jammu from this side of J&K India and Rawalakot, Kotli and Mirpur from other side of PAK Pakistana territorial space that was always down the memory lane of the border peoples. It bubbled with the moment of trucks and load carriers carrying loads and shifting people from the two sides of the Line of Control as was characteristic of it before the Partition or division of Kashmir. Initially, the trade was not that profitable as one would have thought of. However, the local merchants appreciated it as a beginning and supported the good will gesture of two governments for perspective benefit and restoration of direct trans-surface trade links and linkages. The existing trade can, in no case, replicate the heydays of pre-Partition period due to difference in time, space, regime, policy, commodity structure, trading community, taxation etc. However, it evolved in a historical context and more for political expediency than for any significant profit motive. Nevertheless, around 9,854 trucks loaded with essential commodities, crossed LoC in the Poonch-Rawalakot sector from 2008-2012. The number of trucks from Poonch sides (5390) was almost 1,000 more than the Rawalakot side (4464), which automatically differentiated their value in their respective currencies, perhaps for India's strong economic growth and a wide variety of products.

The trade, based on the barter system, is usually conducted on four days in a week, Tuesdays, Wednesdays, Thursdays, and Fridays, and, on an average, fifteen trucks cross LoC with goods for consumption in Poonch, Rajouri and Jammu in J&K and Rawalakot, Hajeera, and Kotli in PAK, and the surplus there of is transported onwards to metropolitan cities of India and Pakistan. The average weekly trade is estimated at Rs. 20 crores from Indian side, out of which nearly 15 crores is done for Poonch proper and the remainder for the J&K as a whole.

The exports from J&K mostly comprise of pulses or kidney beans (rajm'ah), onion, paper machie, herbs, medicines, vegetables, wheat, red chillies, Indian spices, tomatoes and potatoes, whereas Peshwari boots, dates, onions, and textiles constitute the imports from PAK. Some of the farm products are non-conventional, and the offshoot of change in cropping pattern to meet the new market demand and earn relatively better returns than before. The profit earned in some cases being adequate brought about a healthy change in the life style of the basic growers and the allied traders: few established hotel and shops and others got into the transport industry. Besides, the commodity structure included some craft products of Poonch and J&K as a whole. Earlier such products were sailed out in metropolitan cities of India. After reopening of the route, these are directly uploaded on trucks for sale in PAK and vice versa. The mutton and poultry, much in demand in PAK, are procured by Poonch traders from nearby states of the Punjab, Rajasthan and Delhi, and later exported to PAK in the name of Kashmirian produce, to earn better returns than they would usually do in J&K itself. Allured by sufficient profits, many local traders started their own poultry farms and thus stopped imports from the neighbouring states. Interestingly, some government employees have also got in to cross-LoC poultry trade with PAK.

On the other hand, the PAK exports to J&K in dry fruits, almonds, dates *monukka* raisins, *kishmish*, lentils and carpets, make 86 per cent of all 'traded out' goods worth \$US 101 million between October 2008 and December 2011, approximately 1.1 per cent of PAK GDP. Most of the dry fruits are locally grown in PAK and are in great demand in Poonch and other parts of the Kashmir Valley. However, the PAK traders also traded on commission basis in products manufactured or else grown in other parts of Pakistan, say for instance, the shoes (boots) in Peshwar, prayer mats in Karachi and Lahore and other products worth 2 million of Pakistani rupees, of which nearly 1 million was a profit earned by the Rawalakot traders. Such a profit attracts many PAK youth to join LoC trade on the Poonch-Rawalakot route.

The reopening of the route fetched in benefits to different social segments, say for instance, the villagers who returned to their original occupations of agriculture and

industry. They upgraded their occupations and produced such farm and craft products as had demand across LoC; hence, carried out change in cropping pattern, from conventional to the lucrative crops. Further, they reclaimed around 1200 hectares of deserted land for self-sufficiency and augmentation of family income. Shift from conventional crops such as maize, rice, barley etc. to horticulture, illustrates the fact. In addition, the villagers of Ajote, Karamara, Khadi, Gulpur, and Faqirdara in Poonch district of J&K were additionally benefitted because their villages are in the immediate proximity of the borderline. They reap benefits on different accounts: host and provide logistics to the incoming visitors from PAK, which resultantly supplements their resources, enhances their buying power and improves their standard of living. Likewise, the Rawalakot villagers of Devigala, Khalipadi, and Badia in PAK are similarly situated to earn benefits through trade-allied engagements in agriculture and other sectors of local economies.

In some, if not in all cases, the reopening resulted in the creation of lots of jobs and change in the life style of the people on both sides of the LoC. Certainly, the reopening dawned with a new hope to all those who had been left out of job due to the abrupt closure of the route. Some of them started the small cottage units for manufacturing card boxes and sacks for packing cloths, dry dates, paper machie, potatoes, pulses and the like commodities of the Loc trade. Still many others, shifted to transport industry and purchased vehicles to ferry people to their kith and kin and transport goods from producing to the consuming areas .

Consequently, more than 10,000 persons including traders, drivers, loaders and other supporting staff of Poonch alone, got absorbed in the LoC trade. This is besides 190 and 210 traders and their allied staff in Poonch and PAK respectively. It also included around 800 youth in Poonch and more so in PAK because of low literacy rate as compared to J&K. The PAK youth has obviously no inhibitions in performing any sort of physical job associated with the trade.

In short, the cross-LoC reopening of Poonch-Rawalakot route in 2008 was the culmination of a process that had actually begun in 2003 under India-Pakistan resolve to settle issues through dialogue and diplomacy and confidence building measures (CBMs). No doubt, the said process was hindered, at times, due to unhealthy spurts in

Indo-Pak relations and several security threats and challenges. Finally, however, the two feuding countries settled down for peace talks and reopening of ancient trade routes including the one under reference. The initiative was invariably appreciated by all sections of people in general and border peoples of Poonch-Rawalakot in particular for obvious benefits: it reunited them after years of separation, brought them back from margins to mains, restored their age-old systems, structures, customs, traditions and kinship ties, removed their several misconceptions about each other, changed their mindset from conflict to construction and rehabilitation and, above all, exposed them to a different world. The strength of the initiative is that it sustained while resisting all shocks following unfriendly India-Pakistan ties due to the Mumbai terror attack, cross army killings and the execution of their nationals in Indian and Pakistani jails.

Thus the reopening is viewed as a catalyst for burgeoning India-Pakistan friendly ties and their resolve to settle issues through mutual understanding than war and conflict. The unlocking of the freezed trade routes through CBMs forms a part of their optimism for conflict resolution, mutual trust building and the empowerment of contested peoples of J&K and PAK through the initiatives of sports, recreational and religious tourism and educational and scientific cooperation in the foreseeable future. Such initiatives can go a long way in diffusing tension and assuring a peaceful, progressive and healthy world to the people of both regions. More important, the reopening of Poonch-Rawalakot route in absolute terms can set the trend for restoration of all other trade routes over J&K and PAK, and thereby facilitate reconnecting the divided peoples and communities for multiple benefits. However, such initiatives require to be strongly upheld, upgraded and carried forward on well structured lines. By doing so, India and Pakistan can appear to be the friends of their respective peoples.

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