

**GROUP OF INTERLOCUTORS
FOR J&K**

**A NEW COMPACT
WITH THE PEOPLE OF
JAMMU AND KASHMIR**

FINAL REPORT

RADHA KUMAR

M.M. ANSARI

**DILEEP PADGAONKAR
(CHAIRMAN)**

CONTENTS

Executive Summary	1
Chapter 1: Introduction	
1.1 Mandate and Mission	11
1.2 Report Structure and Approach	14
1.3 Situation on the Ground October 2010- September 2011	15
1.4 Lessons Learnt from Peace Initiatives 1999-2009	22
1.5 Renewal of Peace Initiatives August 2010-August 2011	29
1.6 Conclusions	32
Chapter 2: For a New Compact with J&K	33
2.1 Centre-State Relationship	39
2.2 Regional Devolution of Power	51
Chapter 3: Cultural and Media Components of the New Compact	60
Chapter 4: Economic and Social Component of the New Compact	
4.1 Governance and Development of the State: Recent Initiatives	64
4.2 Economic and Financial Dependence of the State	67
4.3 Implementation of Flagship Programmes	69
4.4 Strategic Policy Planning for Economic Self Dependence	75
4.5 Social Component: Empowerment through Human Development	84

Chapter 5: Road-Map

5.1	Credibility of the Dialogue Process	90
5.2	Carrying forward the recommendations of this Report	92
5.3	CBMs	94
5.4	Security Arrangements	99
5.5	Reconciliation	102
5.6	Building Consensus on a Solution	105

Chapter 6: Harmonizing Relations Across the Line of Control	110
--	------------

Annexures

A	Matters in the Union List not connected with Defence, External Affairs and Communication	120
B	Gorkhaland Agreement	122
C	Economic Backgrounder	126
D	List of Recommendations	135
E	List of Delegations Met	153
F	Items Transferred to the Gilgit-Baltistan Legislative Assembly and Council Under the 2009 Reforms	170

EXECUTIVE SUMMARY

I

The contents of this report are primarily the outcome of the Group's interactions with more than 700 delegations held in all the twenty two districts of Jammu and Kashmir and the three round-table conferences (RTCs) we organized since our appointment on 13 October, 2010. The delegations represented political parties at the State and local levels; civil society groups engaged in the protection of human rights, development and good governance; student bodies; the academic fraternity; associations of lawyers, journalists and businessmen; trade unions; religious establishments; community organizations of specific ethnic groups and people uprooted from their homes due to war or endemic violence; newly-elected panchayats members, the heads of the police, the paramilitary forces and the Army. The three RTCs – two conducted in Srinagar and one in Jammu – brought together women, scholars/activists and cultural workers from all the three regions of the State, viz. Jammu, Kashmir and Ladakh.

Several thousand ordinary citizens also turned up at three mass meetings we attended to express their views on a wide range of issues. Furthermore, we met militants and stone-pelters lodged in the Central Jail in Srinagar, and the families of the victims of alleged human rights abuses.

The report takes into account the vast literature on Jammu and Kashmir: scholarly studies and journalistic reportages; proposals for a political settlement contained in documents issued by mainstream and off-stream political formations; publications of think tanks; reports of various Commissions and working groups established by the Central or the State government over the past several decades; and official documents related to political and constitutional developments since Jammu and Kashmir's accession to the Indian Union.

II

The political settlement we propose takes into full account the deep sense of victimhood prevalent in the Kashmir Valley. It surely deserves to be addressed with great sensitivity. At the same, we have also sought to avoid the pitfalls of viewing the myriad issues bedeviling the State from the prism of any one region or ethnic or religious community.

Our interactions revealed a wide-spread desire of people to lead a life of dignity and honour. They sought, in particular:

- Freedom from all forces of religious extremism, ethnic or regional chauvinism and majoritarian conceits that disturb communal and inter-regional harmony;
- Freedom from an opaque and unaccountable administration;
- Freedom from economic structures, policies and programmes that frustrate efforts to promote inclusive economic growth and balanced development of all parts of the State;
- Freedom from social structures and policies that are detrimental to disadvantaged social groups, minorities and women;
- Freedom from harsh laws, or laws harshly applied, and judicial delays that curb the space for legitimate dissent;
- Freedom from the kind of intimidation and violence that compel people to flee their habitat;
- Freedom from threats to the religious, linguistic and cultural identity of all communities;
- Freedom from pressures on the media and on media persons, RTI activists, civil rights group and cultural organizations.

III

We believe that a broad consensus exists on the following points:

- A political settlement in Jammu and Kashmir must be achieved only through dialogue between all stake-holders, including those who are not part of the mainstream. Their commitment to democracy and pluralism must be above board.
- Jammu and Kashmir should continue to function as a single entity within the Indian Union.
- The State's distinctive status guaranteed by Article 370 must be upheld. Its 'erosion' over the decades must be re-appraised to vest it with such powers as the State needs to promote the welfare of the people on its own terms.
- People must be able to exercise their democratic rights without the strains and stresses of the past, both as State subjects and as Indian citizens. Transparent and accountable governance cannot be ensured otherwise. Nor can freedoms and the safeguarding of cultural identity, honour and dignity of every individual.
- The diverse aspirations of the three regions – Jammu, Kashmir and Ladakh – and of sub-regions, of various ethnic and religious groups, of people uprooted from their homes due to wars or endemic violence – must be addressed. This calls for political,

financial and administrative empowerment of elected bodies at the level of the region, the district, the block and the Panchayat/Municipality.

- To promote the State's economic self-reliance, a fresh financial arrangement between the Centre and the State is required. This would include a special dispensation for hilly, backward and remote areas and for socially disadvantaged groups.
- A hassle-free movement of people, goods and services across the Line of Control and the International Border must be swiftly ensured leading to institutionalised cooperation between the two parts of the erstwhile princely State in all areas of mutual interest and concern.
- This would be best achieved if institutions of democratic governance are established at the level of the State, the region and the sub-region in those parts of Jammu and Kashmir that are presently administered by Pakistan.

IV

To build on this consensus we recommend that a Constitutional Committee (CC) be set up to review all Central Acts and Articles of the Constitution of India extended to the State after the signing of the 1952 Agreement. It should be headed by an eminent personality who enjoys the esteem of the people of Jammu and Kashmir and of the people of India as a whole. It should include, as its members, constitutional experts who enjoy the confidence of all major stake-holders. Its conclusions, to be reached within six months, will be binding on all of them.

The CC shall be mandated to conduct its review on the following basis proposed by us.

It will bear in mind the dual character of Jammu and Kashmir, viz. that it is a constituent unit of the Indian Union and that it enjoys a special status in the said Union, enshrined in Article 370 of the Constitution of India; and the dual character of the people of the State, viz. that they are both State subjects and Indian citizens. The review will, therefore, have to determine whether – and to what extent – the Central Acts and Articles of the Constitution of India, extended with or without amendment to the State, have dented Jammu and Kashmir's special status and abridged the State government's powers to cater to the welfare of its people.

The Constitutional Committee should be future-oriented in that it should conduct its review solely on the basis of the powers the State needs to

address the political, economic, social and cultural interests, concerns, grievances and aspirations of the people in all the three regions of the State – Jammu, Kashmir and Ladakh – and all its sub-regions and communities. In this connection, the Committee will also need to reflect on the quantum of legislative, financial and administrative powers that the State Government should delegate to the three regions at all levels of governance – the regional, district and Panchayat/Municipality.

The Constitutional Committee's recommendations must be reached through consensus so that they are acceptable to all stake-holders represented in the State Assembly and in Parliament. The next step would be for the President, in exercise of the powers conferred by Clause (1) and (3) of Article 370 of the Constitution, to issue an order incorporating the recommendations of the Constitutional Committee. The order will need to be ratified by a Bill in both Houses of Parliament and by each House in the State Legislature by a margin of not less than two-thirds majority of the total membership present and voting in each House. It will then be presented to the President for assent.

Once this process is over, Clauses (1) and (3) of Article 370 shall cease to be operative and no orders shall be made by the President hereafter under the said clauses as from the date of the final order.

V

To facilitate the work of the Constitutional Committee, we list below our own suggestions.

We seek a New Compact with Jammu and Kashmir. It covers a wide range of issues – political, economic, social and cultural.

Political Component: Centre-State Relations:

We believe that retaining many of the Central laws made applicable to the State over the past six decades should not give rise to any strong objections. They must be seen to be what they are: fairly innocuous laws that have been beneficial to the State and its people and also enabled the State to conform to international standards, norms and regulations. For example, laws related to opium, press and registration of books, payment of wages and insurance.

Further, we believe that the national interest will not be adversely affected if certain subjects from List III of the Seventh Schedule are

transferred to the State. Detailed suggestions in this respect are contained in the Chapter on the Political Components of the New Compact.

Indeed, the future-oriented approach we have suggested – one that takes into full account the strategic, political, economic and cultural changes in the State, in India as a whole, in the South-Asian region and beyond, as a result of globalization – should enable all stakeholders to reach a rapid agreement on the Articles of the Constitution of India extended to the State.

Our recommendations on certain issues of contention are as follows:

- Delete the word ‘Temporary’ from the heading of Article 370 and from the title of Part XXI of the Constitution. Replace it with the word ‘Special’ as it has been used for other States under article 371 (Maharashtra and Gujarat); Article 371A (Nagaland); 371B (Assam); 371C (Manipur); 371D and E (Andhra Pradesh); 371F (Sikkim); 371G (Mizoram); 371H (Arunachal Pradesh); 371I (Goa).
- On the Governor: the State Government, after consultations with Opposition parties, shall submit a list of three names to the President. The President can ask for more suggestions if required. The Governor will be appointed by the President and hold office at the pleasure of the President.
- Article 356: the action of the Governor is now justiciable in the Supreme Court. The present arrangement should continue with the proviso that the Governor will keep the State legislature under suspended animation and hold fresh elections within three months.
- Article 312: The proportion of officers from the All India Services should be gradually reduced in favour of officers from the State civil service without curbing administrative efficiency.
- The nomenclatures in English of the Governor and the Chief Minister should continue as at present. Equivalent nomenclatures in Urdu may be used while referring to the two offices in Urdu.
- Create three Regional Councils, one each for Jammu, Kashmir and Ladakh. (The latter would no longer be a division of Kashmir). Devolve certain legislative, executive and financial powers to them. A further devolution of executive and financial powers to Panchayati Raj institutions – at the level of a district, a village panchayat, a municipality or a corporation – would be part of the overall package. All these bodies will be elected. Provisions will be made for representation of women, SC/ST, backward clans and

minorities (See part VI). MLAs will be ex-officio members with voting rights.

- Parliament will make no laws applicable to the State unless it relates to the country's internal and external security and its vital economic interest, especially in the areas of energy and access to water resources.
- These changes should be harmonized in all parts of the former princely State. All opportunities for cross-LOC cooperation should be promoted. This will require substantial constitutional changes in Pakistan-administered Jammu and Kashmir
- Take all appropriate measures to regard Jammu and Kashmir as a bridge between South and Central Asia.

VI

The subjects out of List II of the Seventh Schedule that could be transferred from the State Legislature to the Regional Councils are listed in detail in our report.

Among the subjects from List III transferred to the State Legislature, the State Legislature could consider delegating some of those subjects to the Regional Councils. The subjects listed in 'A' and 'B' of the agreement reached on Gorkhaland can also be considered.

Meanwhile, the financial and administrative powers to be delegated to Panchayati Raj institutions will be on the lines of the 73rd and 74th amendments of the Constitution of India.

VII

B. Cultural CBMs

In order to promote reintegration of the three regions of the State, take the following cultural steps: Initiate an inter-and intra-Kashmir dialogue, establish exchange programmes of students, writers, artists and crafts persons, create appropriate infrastructure for arts, develop multi-cultural curricula, provide translation services to the State's many languages, revitalize the State's folk traditions, encourage cross-LOC tourism and open radio and television programmes in the State's languages.

VIII

C. Economic and Social CBMs

Adopt the best practices of other Indian States for the promotion of socio-economic activities under the mode of public-private partnerships; create SEZs for the promotion of industry, which should be extended financial and fiscal incentives on the pattern of the North Eastern States; provide attractive export incentives for promotion of Kashmiri handicrafts; extend technical and financial support for improving productivity and production of horticulture industry; preserve new ecology and bio-diversity of the State; ensure early vacation of industrial establishments and other buildings occupied by security forces; explore exploitation of minerals and other deposits of natural resources; operationalize an International Airport in Srinagar to attracting tourists from international destinations; expedite the completion of all infrastructure projects including rail links and surface roads connecting different regions of the State and across the borders; transfer Central sector power generating projects to the State; and declare hilly, remote and backward areas as Special Development Zones.

Need for an overall educational policy; effective implementation of health schemes; implementation of flagship programmes through Panchayati Raj institutions.

IX

Road Map:

The Roadmap leading to these political, economic and cultural freedoms depends on the credibility of the dialogue process, implementation of key CBMs and building a consensus amongst key stakeholders.

Judging from the situation on the ground and the lessons learned from previous peace initiatives, the following CBMs will help establish a credible dialogue for resolution:

(a) Speeding Up Human Rights and Rule of Law Reforms

This includes the release of all remaining “stone-pelters” and political prisoners against whom there are no serious charges, withdrawal of FIRs against those of them that are first-timers or minor offenders, amnesty for militants who renounce violence and their rehabilitation, the rehabilitation of all victims of violence, reduction of the intrusive presence of security forces, constant review of the implementation of various Acts meant to counter militancy

and, not least, the return of the Kashmiri Pandits, and Jammu and Kargil migrants to their homes to lead a life of security, honour and dignity, adequate compensation for migrants from Pakistan-administered Kashmir and the recognition of their status as State subjects.

- (b) Amendment of the PSA and Review of the DA and AFSPA:
- (c) Improvement of police-community relations .

(d) Rationalisation of security installations through reducing their spread to a few strategic locations and creating mobile units for rapid response .

- (e) Fast-track implementation of the Recommendations of the Prime Minister's Working Group on CBMs, in particular;

- Making the return of all Kashmiris, mainly Pandits (Hindu minority) a part of State policy;
- Providing better relief and rehabilitation for widows and orphans of violence in the State, including widows and orphans of militants; and
- Facilitating the return of Kashmiris stranded across the LoC, many of whom had crossed over for arms training but now wish to return peacefully.

- (f) Fast-track implementation of the recommendations of the Prime Minister's Working Group on Relations across the LoC. This will anchor efforts to build consensus for a solution and should include opening all routes across the LoC, and easy trade and travel through multiple-entry permits/Visas

- (g) Establish a Judicial Commission to look into the unmarked graves, with an emphasis on identification of missing/ disappeared persons

Many of these CBMs only been partially implemented. In order to ensure better implementation, the Group recommends the establishment of an empowered group to monitor CBMs

Dialogue Process :

In order to take the political dialogue forward, the Group recommends:

- (a) Resume the GOI-Hurriyat dialogue at the earliest opportunity. This dialogue should yield visible outcomes and be made uninterruptible. .
- (b) Encourage Pakistan and Pakistani-administered Jammu and Kashmir to enter into dialogue on the recommendations as fine-tuned by the CC and points emerging from the GOI-Hurriyat dialogue.
- (c) Agreement between India and Pakistan to promote civil society interactions for the Jammu and Kashmir on both sides of the Line of Control.

X

Harmonization of Relations Across the LoC

A large number of the delegations that we met believe that no permanent or lasting solution can be achieved unless it applies also to the those parts of the former princely State that are under Pakistani administration. Such a position is also in consonance with the 1994 Parliament Resolution, which sought a settlement for the whole of the former princely State. The Pakistan-administered parts, however, have been altered in the significant ways. Pakistan-administered Jammu and Kashmir is currently divided into two parts, each with a different political status. The demography of the State has also been altered in significant ways, through migration from other Pakistani provinces.

Any attempt of harmonization of Centre-State Relations and devolution of powers at the regional, district and Panchayat/ Municipality levels across the LoC, therefore, will necessitate wide-ranging constitutional change in Pakistan –administered Jammu & Kashmir. If agreed, such harmonization will permit the development of joint institutions across the LoC for development, resource generation and other common matters.

This Group recommends that these issues be discussed with the concerned representatives on the other side of the LoC.

XI

Finally, this Group recommends that the search for solution should not be made contingent on India-Pakistan talks. If the stakeholders in Jammu & Kashmir are willing to enter into a settlement, the door can always be kept open for Pakistan to join.

The key objective is, as Prime Minister Manmohan Singh has expressed, make the LoC irrelevant. It should become a symbol of Concord and Cooperation.

CHAPTER 1: INTRODUCTION

1.1 Mandate and Mission

1. The Group of Interlocutors was appointed on October 13, 2010, following the All-Party Parliamentary Delegation's visit to Jammu and Kashmir from September 20-22, 2010 and the Home Minister's announcement of September 25, 2010.
2. The mandate given to the Group was to hold wide-ranging discussions with all sections of opinion in Jammu and Kashmir in order to identify the political contours of a solution and the roadmap towards it. In order to fulfill this mandate, the Group was tasked with spending about a week each month in the State.
3. We have visited the State every month for eleven months now, held consultations district by district in all of its twenty-two districts, met the leadership of both large and small, national and regional political parties, received over 700 delegations of community representatives comprising around 6,000 people, including around 1,000 *Sarpanches* and *Panches*, and conducted three round tables with civil society. Two of these round tables were held in Srinagar, and one in Jammu. Additionally, we have held around twenty meetings separately with youth, and three public meetings (the 3,000 strong public meeting at Langate, the 600 strong public meeting at Kathua, and the 500 strong public meeting at Kupwara). Among the more influential community leaders, we met clerics, traders and workers' associations, women's groups, media and welfare organizations. Lastly, but in many ways most importantly, we met members of armed groups in prison, families of those killed in 2010, parents of the disappeared, and victims of militancy and human rights abuses. Our interactions with the heads of the police, para-military forces and the Army were most insightful. A list of districts visited, delegations received and meetings held is attached at *Annexure 'D'*.

4. The bulk of the memoranda that we have received (around 75 per cent) deal with Confidence Building Measures (CBMs) and/or issues of governance, from human rights to development. Human and democratic rights are highest on the list of reforms sought (rule of law, justice, end to curfews, checks, *hartals* and other impositions, including minority and sectoral rights); they are followed closely by demands for equitable distribution of economic resources and jobs, development of infrastructure, an end to corruption and a more open and transparent decision-making process. While the measures they recommend constitute a substantive part of the contours for a resolution, there are also around 25 per cent of memoranda with proposals for specifically political measures that are discussed in the Chapter on *Political Components of the New Compact*.
5. These written memoranda do not, by and large, include inputs from dissident or separatist groups, except for a tiny minority of them. However, memoranda are only one of the inputs we have used for our report; our chief source has been the people themselves. Verbal consultations have been the mainstay of our work, and we have brought up the political contours and roadmap issues in each of our district meetings as well as with political leaders. Additionally, the three round tables we organized canvassed the views of key civil society constituents – women, intelligentsia and cultural figures – on the political contours and roadmap.

As far as dissident and separatist opinion is concerned, our meetings with different groups, especially youth in the Valley, the proposals and statements of the All Parties' Hurriyat Conference (APHC) factions, both Mirwaiz (M) and Geelani (G), and the Jammu Kashmir Liberation Front (JKLF), including member organizations, informal discussions with some of them, such as the former APHC chairman Abbas Ansari, and/or their supporters, and district branches of such organizations as the Bar Association, provided us with illuminating if stark inputs, especially for key CBMs, political elements and roadmap issues. Several interesting ideas were, moreover, sent through Facebook.

6. Finally, we have also extensively used other written materials in producing this report, such as, reports of various commissions and working groups established by the Central or the State government, official documents related to political and constitutional developments since Jammu and Kashmir's accession to the Indian Union, proposals of various political parties, scholarly studies and publications of think tanks.

1.2 Report Structure and Approach

7. A number of reports have been written on the political contours of a solution for Jammu and Kashmir, most of them dwelling on the history of agreements made and violated, both allegedly and in fact. We have not repeated these historical accounts because they already provide ready reference points, and because there are new realities to be factored in, which impact on the formulations of an earlier age. To this extent, we have tried to get away from the baggage of history while dealing with its core issues, comprising the aspirations of the people of Jammu and Kashmir.
- “The primary issue for us all here, is our dignity, our self-respect. New Delhi needs to change the way it looks at Kashmir. Not from the standpoint of Pakistan, itself a failing, falling, crumbling State that is teetering on the verge of collapse. Not from the point of a 'territory'... But from the pedestal of the world's largest democracy, the beating heart of the world's economy, and ever-existing proof that the 'Clash of Civilisations', seen to be inevitable, should not occur.” Facebook message*
8. These aspirations are a complex mixture of desires for redressal of the past, including a sense of historical grievances, and anger at current daily life harassments, combined with the longing to envision a future that connects them to the opportunities of a globalizing world and a liberalizing India. Separating the elements of this complex mixture has not been an easy task: some of the grievances indicate the need for further retraining of security forces to respect human rights and democratic freedoms, others relate to revitalization of civil government services, in particular against corruption and for delivery; and then there are issues of moral and social degradation, which need to be addressed by civil society, especially clerics and welfare groups, in partnership with the State’s accountability organizations. All of these, however, are tied in public perception to the larger political issue of Jammu and Kashmir’s status and relationship to the Indian Union, with many, if not all, failures of the State administration being laid at New Delhi’s door.
9. While struggling with this lethal mix, the Group has at all times born in mind the need to combine an emphasis on democratic freedoms with the new opportunities that India offers in a globalizing world, in order to outline the constructive steps that the Central Government can take to realize the aspirations that have been voiced before us.

10. Taking the aspirations of the people of Jammu and Kashmir and 21st century realities into account, we have proposed *A New Compact for Jammu and Kashmir*, whose elements are outlined in the chapters on

“Ultimately, the vision about Kashmir is a set of convictions that surrounds in the minds of all our people in the State and rest of India. Mostly, people want to believe, but they don’t want to be pushed or lectured or forced. That said, we need to kick start the dialogue with a BIG POWERFUL idea –Vision Kashmir.” Facebook message

political, cultural and economic freedoms for the State. These freedoms can only be experienced if the leaders and people of India and Jammu and Kashmir join in a common enterprise to make them happen. In the Roadmap that concludes this report, we have drawn lessons from how prior peace initiatives have worked, discussed how the freedoms outlined in

the chapters on *A New Compact for Jammu and Kashmir* can be agreed and implemented, and identified key CBMs that will help pave the way.

1.3 Situation on the Ground, October 2010-August 2011

11. We were appointed at a time when the situation was highly inflamed. 104 young people had been tragically killed in clashes between stone-pelting protestors and police forces in the Kashmir Valley.¹ Public anger was very strong and widespread. Much of it was directed against New Delhi, though a substantial part was also directed against the State government. There was a high risk that Jammu and Kashmir might once again slip into endemic violence, with the added risk of the gun returning to dominate.

12. The situation has gradually improved over the past eleven months, and there was a record pilgrim and tourist inflow in June and July. The primary factor in this improvement was the will of the people: no one wanted the violence and shutdowns of 2010 to return. Other critical factors include: lessons learned by the government, fast-track police training and equipment, better coordination between the Central and State governments, and the Army’s hearts and minds policy, to mention but a few of the most important.

¹92 directly, 12 indirectly, including 4 people accidentally killed when they set a police ammunition depot on fire, deaths due to stampede, etc. (Jammu & Kashmir Police figures).

13. While it is impossible to quantify its contribution one factor in improvement of the situation was the monthly and district visits by the Group, which enabled on the ground interaction with the community and officers, and constant engagement with the State government. Through these interactions we acted as a mobile grievance cell as well as a channel between the people and the Central government, and thereby as confidence boosters.
14. Given the severity of the conditions in which the Group was appointed, our first focus was on immediate CBMs that would establish conducive conditions for dialogue, especially follow up on the All-Party Parliamentary Delegation's recommendations and the Central Government's 8-Point programme for promotion of the rule of law and human rights in cooperation with the State government and encouragement of collective activities such as sports and cultural events.
15. The timeline we had hoped for was: by the end of January 2011, human rights and rule of law improvements, such as ending/limiting curfew, release of youth and political detenus with minor charges, sparing use of the Public Safety Act (PSA) and/or its amendment, and dealing with the backlog of passports, especially for Haj; and from April to September 2011, a plethora of sports, educational and cultural events which would reduce isolation and pave the way for discussion of the lifting of the Disturbed Areas Order (DA) and the Armed Forces Special Powers Act (AFSPA).
16. Some of these reforms and CBMs did happen within the time frame, albeit partially. Youth were released on bonds and the daily curfews declined. The restoration of SMS facilities was widely welcomed, albeit it is still limited. The PSA is being used less frequently, a large number of the bunkers in Srinagar have been removed, and the Haj passports were mostly cleared. Some political detenus were released in the first month of our mission and more were recently released as an Eid CBM. None of these measures was taken simply on our recommendation: it took considerable discussion in a range of decision-making quarters, and our role was primarily to help implementation through our monthly visits. An illustrative example of how things worked

were the youth releases, which were first suggested by the Home Minister and the All-Party Parliamentary Delegation and then worked on by us.

17. Similarly, while the State government and the Army have in the past appeared to have been at cross purposes on the DA and AFSPA, including troops redeployment, the Army's decision to emphasize human rights and a healing touch have helped bridge a gap. Prompt action after a youth was mistakenly killed in Sopore in an Army cordon operation earlier this year indicated fresh commitment to discipline. The statement by General Officer Commanding (GOC) Kashmir that the Army will continue to review troops' dispositions has also been a CBM.
18. In the same vein, the prompt action to investigate and punish the guilty that was taken after the custodial death in Sopore in July 2011 is an indication of the changing attitude of the police. However, much remains to be done in terms of police reforms.
19. The suggestions regarding sport events were sluggish to take off initially and were first espoused by the police and Army, with the latter organizing a Kashmir Premier League (KPL) in early summer 2011. The large participation in these events showed how important as CBMs such ordinary daily life activities are, and they require civilianization since the security forces have other duties. More civilian initiatives are now being taken, with Mr. Bishen Singh Bedi starting a cricket coaching programme that he hopes will be conducted in all the districts, and the Ministry for Sports and Youth planning a series of activities with the Jammu and Kashmir Sports Ministry. With civil society and Central Reserve Police Force (CRPF) cooperation, Srinagar's Sports Stadium is gradually being handed back to civilian authorities. The newest developments are the setting up of football leagues by a Diaspora Kashmiri and rugby coaching by actor Rahul Bose.
20. Cultural activities were also encouraged, though they took place in a smaller way. There have been a series of concerts in Srinagar this summer and autumn, including an international peace concert, and a series of literary and theatre events are expected in the autumn, alongside youth festivals.

21. The extremely successful *halka panchayat* elections, which saw a 76 per cent turnout, were a hallmark of this year. If these local bodies are fully empowered, they should be able to solve a large number of governance problems. The State government has issued the rules and regulations for the panchayats, and the Union Ministry for Panchayati Raj is working with the Jammu and Kashmir Ministry for Rural Affairs on training programmes, but progress is slow given that the institution that could be the nodal agency remains weak.
22. Some members of the Kashmiri Pandit community have started to return to the Valley under the Prime Minister's Reconstruction Plan. They are provided reasonably good accommodation, but only as a short-term transit measure, and they are not allowed to bring their families. Moreover, community-based reintegration programmes are yet to be initiated. It is hoped that these omissions will soon be rectified. The fact that the plan, which was first proposed in the early years of this decade, is now finally taking off is a sign of good intent.
23. We also noted the expansion of civil society activities in the State as a positive sign. Facebook pages for Pandit-Muslim and intra-Kashmiri dialogue, a series of new youth forums, and cultural discussion on social networking sites, are small but encouraging indications of pluralist voices that offset the diatribes that such sites commonly carry.
24. Having said this, it must be confessed that some of our suggestions for CBMs fell through the gaps. The Ministry for Human Resources had promised to fund summer field-study programmes for 15,000 Jammu and Kashmir students this summer, but the offer got stuck somewhere in the State bureaucracy. Similarly, suggestions for cultural festivals during the summer could not be implemented in the time frame. The recommendation for a review of the FIRs against youth, and dropping the minor or first-time offences, has just been taken up as an Eid-related CBM (it was made at the beginning of this year). The amendment of the PSA, a measure suggested by the Prime Minister's Working Group on CBMs and followed up by the Group, which was later introduced as a private member's bill, was not discussed in the 2011 budget or autumn sessions of the Assembly. Moreover the State government apparently does not intend to bring legislation giving panchayats the same substance

as the 73rd and 74th amendments of the Constitution of India, or more, because the Members of the Jammu and Kashmir Legislative Assembly (MLAs) are opposed to any dilution of their own powers. Finally, appointments to the Information and Accountability Commissions, which the Group raised in its first visit, were finally made in September/October 2011, almost a year later.

25. Thus, despite some progress on CBMs, it would be foolish to deny that the situation remains very volatile. Alienation runs very deep in the Valley, anger still bubbles close to the surface, and the risk of violence breaking out again is still present. Recent human rights abuses in Sopore and Poonch (an alleged rape and a custodial death in late July 2011, a youth killed in August 2011) sparked protests, but the prompt action referred to above (paragraph 13) contained the anger for a time. As of this writing, small-scale violence in the form of stone pelting has begun again.
26. The controversy surrounding the State Human Rights' Commission's investigation into "unmarked graves" highlights another problem that we have noted, viz. that key issues of resolution arise and are dealt with in ad hoc ways. The bulk of these graves relate to the period of armed conflict that is almost at an end, and both the armed groups and the Government of Pakistan will need to cooperate for the identification of the bodies buried in them. Without such identification the families of "the disappeared" may doubt any investigation. The Chief Minister's promise of DNA testing is welcome, as it offers the hope of closure; but given that a large number of those buried are likely to be militants from across the LOC, the question of closure for their families remains to be resolved.
27. The alienation of youth in particular was underlined by the continuous protests and tragic deaths last year, and it is strongest in Srinagar city, Sopore, and parts of Pulwama, Baramulla, Kupwara, Anantnag and Shopian. Interestingly, it is also strong amongst Kashmiri students studying in other parts of India, including Delhi; this is not a surprising development given the suspicion with which Kashmiris are viewed and treated in most parts of the country. While alienation of youth is limited in the districts of Jammu and Ladakh, it has affected parts of Doda and other districts contiguous to the Valley. Unemployment and

nepotism are the two common complaints of all youth in the State. In this context, we noted a deep fear in Jammu and Ladakh that the bulk of the job creation initiatives would be concentrated in Kashmir, leaving out unemployed youth in Jammu and Ladakh.

28. It should also be noted that communal polarization has gone quite far in Jammu and Ladakh, both in relation to the Valley and between parts of the two regions. Each of the three regions feels it is held hostage by the other(s), and this fuels volatility. Each of the three regions also feels discriminated against by the State government in terms of the allocation of funds, jobs, selections and promotions. This perception refuels communal tensions, with an impact within the regions as well as between them. The Muslim and Hindu majority districts of Jammu, for example, are steadily drawing apart rather than coming together; similarly, the Muslim and Buddhist districts of Ladakh are becoming increasingly distant, even acrimonious; indeed, the two Autonomous Hill Development Councils have not held a single joint meeting, though each would benefit from cooperative planning.
29. There is a general sentiment in Jammu and Ladakh that they need to be ever more strident in their expression in order to have their grievances and aspirations heard by the State and Union governments. In Jammu, additionally, the cumulative impact of migration, especially of Pandits, has contributed to political radicalization. This is combined with the lack of recognition of the fact that Jammu has traditionally opened its doors to refugees and migrants, including during the troubles of 2010, when over 25,000 students from the Valley went to Jammu to study.
30. Many, especially in Kashmir, believe that an event in one region could trigger trouble, if not violence, in others. There are daily rumours in both Jammu and the Valley inciting fears – including fears about what our report might contain – fed by strange leaks and mistruths which appear to be deliberately intended to create apprehension. There is, and has long been, a highly politically- charged atmosphere in the State.
31. In this context, we have noted that government programmes that intend to bring relief to specific sections of the community can end up causing friction. Two instances in 2010-11 are reservations for Gujjars

that caused heartburn amongst Paharis, who have the same socio-economic and cultural conditions, and the Dogra certificate row. The latter became so politically heated that the Central government had to intervene.

32. We have also noted that rivalries between the State's political parties contribute to the volatility on the ground. The 2008 legislative elections resulted in a patchwork of political parties sharing power district by district, and the 2011 panchayat elections have increased the patchwork in many districts, where the MLAs and MLCs might belong to one party and/or coalition but the panchayat representatives belong to the opposition. This means that the power-sharing equation will have to apply right down to the local level. In this situation, the need for parties to work together is stronger than ever; without their cooperation governance will remain weak or even be further weakened.
33. The role of the media, too, has been complex, combining positive peace support with mistruths that undermine peace initiatives. Barring a small handful of anchors and reporters, the national media have under-reported conflict areas and tend to focus on moments of violence and/or recrimination. The local media, by contrast, have given far more attention to peace process developments, but – as occurs routinely in conflict situations – there are some amongst them who are selective in what they report and biased in favour of one or another political position. A few even go as far as inventing events and quotes for stories. To these few, journalism appears to be a political game rather than the pursuit of fact. The negative fallout from this kind of journalism is that it acts as a brake on peacemakers who wish to move forward from stated positions, especially amongst the dissident groups.

1.4 Lessons Learned from Peace Initiatives, 1999-2009

34. By and large, it is insufficiently recognized that there have been consistent efforts to find a peaceful solution since 1999. There is thus a considerable body of experience and consequently received wisdom, on the structure, tracks and key issues of a sustainable and results-oriented peace process for Jammu and Kashmir. Important lessons from this body of experience include:

35. First, both the Government of India and the stakeholders in Jammu and Kashmir have repeatedly shown their commitment to a peace process, insofar as they have sought to revive it after each rupture. This point is reinforced by the fact that there were at least eight major ruptures in a period of ten years in the India-Pakistan dialogue: the Kargil invasion of 1999, the Agra summit's failure and the rise of violence in Jammu and Kashmir in 2000, the Jammu and Kashmir Assembly and the Indian Parliament attacks in 2001, a number of scattered terrorist attacks in 2002-4, the Varanasi and Delhi bombings in 2005, the Mumbai blasts in 2006, the Samjhauta attack in 2007, the Mumbai attacks in 2008, and since then, a series of bombings of Indian missions in Afghanistan- and blasts in Pune, Mumbai and Delhi. Such a commitment to revive peace talks despite frequent and targeted terrorist attacks is a strong indication of political will, even though it is doubted in Delhi as well as in Jammu and Kashmir.

36. Second, there has been policy continuity within successive Indian administrations on the approach to a peace process in Jammu and Kashmir. The overall policy, of working in tandem on the Jammu and Kashmir and Pakistan tracks, is in line with the 1994 Parliament resolution seeking a solution for the whole of the former princely State. It was first developed in 1999 by Prime Minister Vajpayee and then deepened and expanded by Prime Minister Singh. In fact, the peace initiatives of 1999-2009 can be divided into three phases: 1999-2002, 2003-7, and 2008-9, each with its own distinctive features.

37. Phase I (1999-2002) was marked by Prime Minister Vajpayee's intuitive understanding of sentiments in the State; his attempts to broker a

ceasefire with armed groups (all of which ended in violence); and the initiation of three tracks of dialogue: India-Pakistan, New Delhi-APHC (M), and inter-Kashmiri, i.e., across the LOC.

38. The most important contribution of this phase was to coordinate initiatives to end the armed conflict. Thus, the veteran separatist leader of the People's Conference, Abdul Ghani Lone, went to Pakistan-administered Jammu and Kashmir to ask the armed groups to enter a peace process. The 2002-5 Coalition government in Jammu and Kashmir, headed by Mufti Mohammad Sayeed, launched a "healing touch policy". And for the first time the Pakistani government acknowledged that "Pakistani soil" was being used to launch terrorist attacks against India.
39. However, this was also a phase in which spoilers extracted a very high cost in terms of lives lost in Jammu and Kashmir. More than 13,000 people died during the four years of 1999-2002 (see Chart 1 below), including Abdul Ghani Lone, whose assassination caused shockwaves through the State. Together with the assassination of Majid Dar, the Hizbul Mujahadeen commander who was a key figure in the 2000 ceasefire negotiations, the two killings sent a powerful signal that cross-border armed groups and their handlers were not yet ready to allow Kashmiri initiatives for peace.
40. As against this, Phase II (2003-7) was marked by a Pakistan-initiated ceasefire along the LOC and the international border (IB), which allowed the strengthening of dialogue tracks and their expansion. In addition to the India-Pakistan and New Delhi-APHC (M) tracks, the APHC (M)-Pakistan and Track II inter and intra-Kashmiri dialogues were added. It was in this phase that substantive CBMs were put in place, of which the most significant was the opening of the Srinagar-Muzaffarabad route for family travel in 2005 and subsequently for trade, which was followed by opening other routes along the Jammu section of the LOC. In both symbolic and actual terms, the re-opening of these roads was a landmark achievement of the nascent peace process.
41. A visible outcome of the inter-Kashmiri dialogue was the decision to take the Baglihar project to the World Bank for arbitration under the Indus Waters Treaty. The Pakistani government was at first reluctant to

seek World Bank arbitration, but President Musharraf agreed after political leaders from Pakistan-administered Jammu and Kashmir, who had been a part of the Track II dialogue, appealed to him to let the issue be resolved. In 2007, the arbitrator decided in India's favour. The same arbitration procedure is now being followed for the Kishenganga dam.

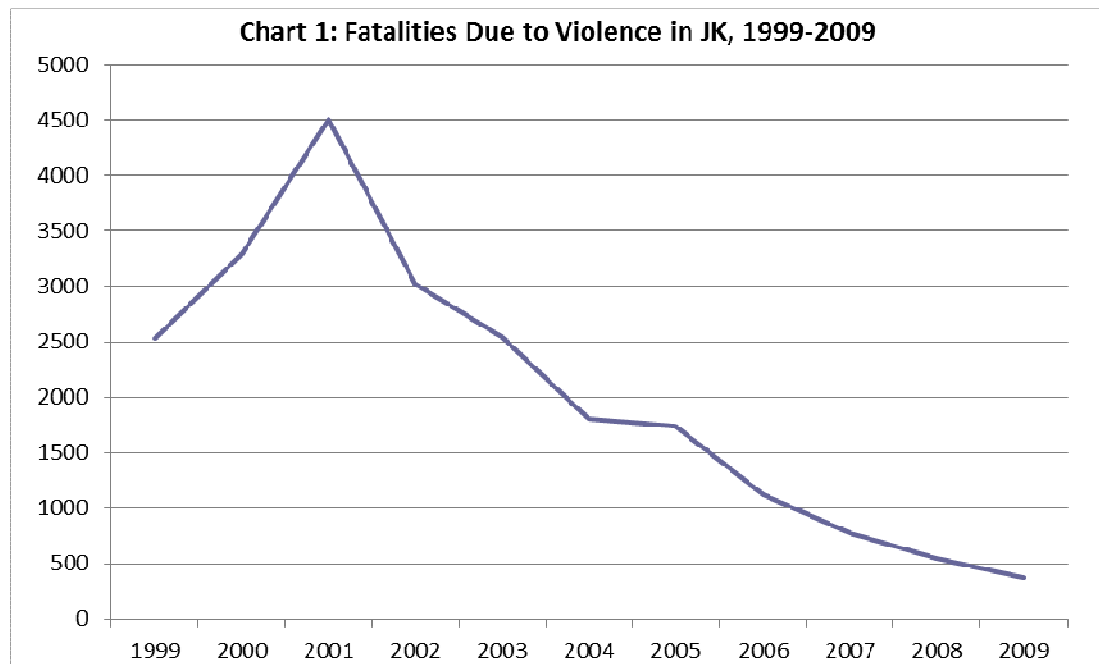
42. Perhaps the most important achievement of Phase II was the opening of back channel talks between Indian and Pakistani envoys. The two sides narrowed divergences and focused on convergence to the point that they came close to a framework agreement for resolution, comprising self-governance, phased demilitarization on both sides of the LOC and, over time, joint development institutions. For the first time, the Pakistani government began to recognize elected political representatives in Jammu and Kashmir, changing a long-held position that the APHCs and armed groups were the sole representatives of the people. At the same time, there were several rounds of New Delhi-APHC (M) and inter-Kashmiri dialogue, and five Working Groups to propose ways to resolve the conflict were set up by Prime Minister Singh. Their membership comprised all the political parties in Jammu and Kashmir, and a sprinkling of civil society actors in the State. Four out of five of the Working Groups dealt with internal issues, and one dealt with cross-LOC relations. In other words, the internal and external tracks would have dovetailed if the framework agreement between India and Pakistan had ensued as envisaged.
43. It was also in this phase that President Musharraf pledged to prevent cross-border terrorist attacks, and the India-Pakistan Joint Anti-Terrorism Mechanism was set up. Though neither the pledge nor the mechanism was seriously operationalized, armed conflict began to decline during Phase II, steadily at first and later at an accelerated pace. This decline began with the 2003 ceasefire, gained momentum when the back channel was initiated, and continued in pace with progress in the framework talks (see Chart 1 below).
44. Unfortunately, the explosion of violence within Pakistan led President Musharraf to request in 2007 that the talks be put on a back burner, and the elections soon after brought a Pakistan People's Party (PPP) headed coalition to power that was internally preoccupied. Phase III (2008-9),

therefore, was on the New Delhi-Jammu and Kashmir track alone. Though the Government of India began security reforms, transferring policing duties to the Jammu and Kashmir police and the CRPF, and pressing the security forces to take stringent steps to punish human rights violations, the New Delhi-APHC (M) track, which had worked while the India-Pakistan track cushioned it, began to wither.

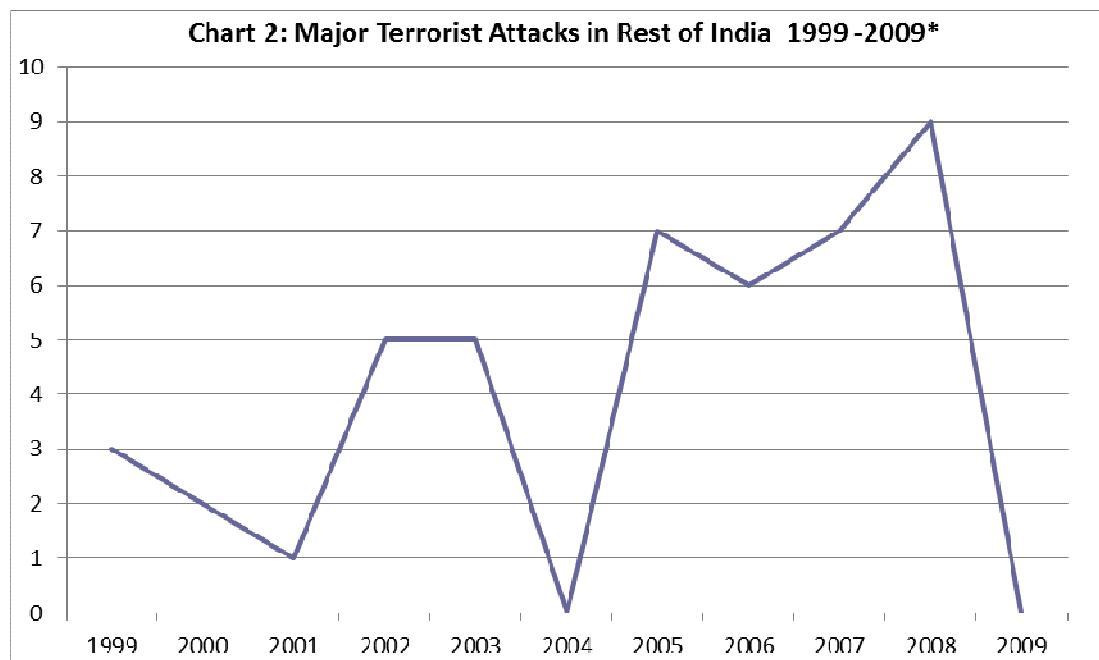
45. Phase III was marked by many hopeful signs. The 2008 Assembly elections in Jammu and Kashmir saw the greatest voter participation since 1978 (70 per cent), and they brought in a young Chief Minister, Omar Abdullah. Deaths due to armed conflict fell below 400 a year for the first time in twenty years, and there were a series of security reforms. Cross-LOC trade increased sharply.

Together these factors indicated that Phase III represented a ripe moment for moving towards a resolution. But it also saw warning signs of trouble under the surface. The Amarnath land row and agitation showed that Jammu and the Valley were alarmingly polarized, in increasingly communal terms. In the Valley, protests against the land row quickly snowballed into protests against the security forces, with the emergence of a new form of youth agitation, stone-pelting, which continued into 2009, and became dominant in 2010.

46. This new form of protest arose as armed conflict declined in Jammu and Kashmir. The decline did not signal that violence was no longer used to undermine or control peace initiatives in order to maximize spoiler leverage.
47. While the focus has been on deaths in the Valley, it is often forgotten that a large number of them were from the border areas of Jammu. Data collected for fatalities year by year from 1999-2009, in fact, presents a mixed picture. In Jammu and Kashmir, fatalities escalated from 1999, peaking at over 4,500 in 2001, began to decrease in 2003, plateaued in 2005 and declined again from 2006 on. The decline continued steadily, largely because the armed insurgency has almost ended. From January-September 2011, the figure for fatalities was just above 150.



Source: South Asia Terrorism Portal



Source: Ministry of Home Affairs.

48. The two charts above suggest the following points:

- (a) In Phase I, there were two contrasting triggers of violence: one, the failure or breakdown of talks (for example, armed attacks

spiraled after the failure of the Agra summit); and the second, to pre-empt breakthroughs in talks (for example, the 2000 ceasefire negotiations were abruptly ended by a string of terrorist attacks, including the killing of over a hundred migrant laborers).

- (b) However, after the ceasefire between India and Pakistan in 2003, leading to the peace process of 2004-8 (Phase II), the steady decrease in fatalities in Jammu and Kashmir showed that once a peace process begins to take hold, it is likely to engender and/or accelerate a decline in violence. This decline continued into Phase III, even though the India-Pakistan peace process was on a back burner.
- (c) Complicating matters, on the other hand, there was a corresponding increase in terrorist attacks in the rest of India, which targeted the India-Pakistan talks and/or the Jammu and Kashmir peace process, so that any progress made in the State was constantly called into question by rising public animosity in the rest of India.

49. In other words, the gains made in Jammu and Kashmir were lost, in peace process terms, by the bombings in the rest of India. Similarly, while there was a sharp decline in violence against civilians and/or security forces in the State, this decline did not apply to targeted assassinations. New Delhi-APHC (M) attempts at dialogue continued to be ruptured by targeted assassination. While the 2000-1 killings of Abdul Ghani Lone and Majid Dar effectively ended initiatives at negotiations with armed groups, the assassination of the Mirwaiz's uncle in 2006 effectively demolished the chances of the APHC (M)'s participation in the Prime Minister's Round Table in Srinagar. And in 2009, when the Government of India had an ongoing "Quiet Diplomacy" with the APHC (M), there was an assassination attempt on a top APHC leader, Fazl Haq Qureshi, who was part of the talks, leading to the talks breaking down.

50. To sum up, the peace initiatives from 1999-2009 made some impressive achievements against formidable obstacles. In policy terms, the evolution was as follows:

Phase I:

- Seeking a ceasefire with armed groups and for them to join a Peace process;
- Opening three tracks of dialogue;
- *Insaniyat* and healing touch policies.

Phase II:

- India-Pakistan ceasefire;
- Institutionalization of dialogue and support for Track II;
- Opening Srinagar-Muzaffarabad and Poonch-Rawlakote routes;
- Decline in violence;
- Security reforms.

Phase III:

- Army in barracks;
- Transfer of all civilian security duties to the police;
- Continuing decline in violence in the State;
- Sharp increase in cross-border trade;
- Quiet Diplomacy.

51. Overall, due to the peace initiatives of 1999-2009, violence has gradually ceased to be a preferred means of the settlement of the issue; the India-Pakistan framework talks established the broad contours of a resolution for the whole of the former princely State, even though they did not reach fruition; and CBMs have brought a considerable change on the ground in Jammu and Kashmir (less so in the Pakistan-administered parts of the State, where post-earthquake and floods relief has led to the resurgence of armed groups).
52. However, cross-border terrorist attacks in other parts of India, and targeted assassinations in Jammu and Kashmir, continue to be major obstacles to a result-oriented peace process.

1.5 Renewal of Peace Initiatives, August 2010-August 2011

53. Beginning with Home Minister P Chidambaram's August 5 speech in the Rajya Sabha stating that Jammu and Kashmir had a "unique problem requiring a unique solution", an All-Party Parliamentary Delegation visited the State from September 20-22, 2010, and made a series of human rights recommendations to the Government of India. The peace process that then unfolded built on some of the elements that had been developed by preceding initiatives and added new ones. It combined CBMs such as cross-LOC trade with peace building, especially police retraining and revitalization of governance institutions, and a wide-ranging public dialogue across the State through the Group of Interlocutors.
54. This was not an easy combination, and it suffered from difficulties of coordination between CBMs, peace building actions and dialogue. Nevertheless, it did help to bring the Valley back from the brink and established some conditions for forward movement.
55. The form of the dialogue that began between New Delhi and the people of Jammu and Kashmir in October 2010 was new, and its sweep roused hopes that a more sustainable peace process was underway. The dialogue became symbolic of New Delhi's commitment to change in Jammu and Kashmir. An early breakthrough in this context was the 3,000 strong meeting in Langate, at which participants took a pledge to shun violent or damaging protests (for example, by stone-pelting) if stringent measures were taken to avoid or prevent human rights violations. Such a response had not been seen in the Valley since Yasin Malik of the JKLF declared his conversion to non-violence in the 1990s.
56. As a result, more MLAs were galvanized to support and push forward the renewal of the peace process than had been before, with, also, a larger involvement of women. Once again, the field was broadened for an inclusive peace process, to the extent that almost all the major political constituencies in Jammu and Kashmir began to feel that their aspirations would be taken into consideration.

57. Perhaps the most important development in this period was the move by members of the APHC (M) and People's Conference to break the silence on militant killings, which gathered steam after the assassination of Maulana Showkat Shah of the Jamiat Ahli Hadeeth. A joint committee of the two APHC factions, JKLF and Jamaat-e-Islami, amongst others, was set up by the Jamiat Ahli Hadeeth to probe the assassination, and they got the Pakistan-based United Jihad Council to conduct an internal enquiry. Its findings tallied with the Jammu and Kashmir police findings that radical Islamists had carried out the assassination, leading the Lashkar-e-Toiba to issue an apology for having alleged that Maulana Showkat was killed by Indian security forces.

58. If carried forward, this development is a potential game-changer. It restores moral authority to the dissident groups, signals a decisive turn away from armed conflict and targeted assassinations in the State, and indicates that it may be possible to bring the armed groups on board the peace process. However, these are openings that are yet to be explored, and there are many imponderables, which suggest that the road ahead will continue to be rocky.

59. Finally, the renewal of the India-Pakistan dialogue in spring 2011, and the regular meetings held since, also impacted favourably in Jammu and Kashmir. The agreement to improve facilities for cross-LOC trade, arrived at between the Foreign Secretaries of India and Pakistan in August 2011, and the Government of India's proposal of multi-entry permits for cross-LOC travel, are both based on long-standing demands. It is a pity that this proposal has been restricted to cross-LOC traders at present, and it is hoped that it will be soon be expanded to cover all travel.

The State government's offer of a programme for return of former militants who crossed over to Pakistan-administered Kashmir during the past two decades, too, is a follow-up of the recommendation of the Prime Minister's Working Group on CBMs (though the return of former militants is more of a settlement issue than a CBM, as Pakistan's stonewalling on it indicates).

60. To sum up, the achievements of initiatives in 2010-11 were:
- Creation of an inclusive dialogue;
 - Implementation of some of the Prime Minister's Working Groups' recommendations;
 - Institution of some immediate human rights and security reforms;
 - A far-reaching truth initiative by the APHC (M) and JKLF;
 - Re-engagement of Pakistan.
61. As against these achievements, there were formidable obstacles. Anger and instability were high in the first few months, and remain under the surface today. They can be easily mobilized again if the renewed peace process does not show steady results.
62. Lastly, a major gap in our mission, as pointed out by political representatives and the media, was our failure to open a dialogue with the APHCs, JKLF and associated groups. We accept that this weakened our mission, especially as many of the immediate CBMs that were recommended and/or initiated followed through on the Four Points that were common in the APHC (M) and (G) list of demands that were issued in summer-autumn 2010 (release of youth and political prisoners, removal of bunkers, review of draconian legislation). We had hoped that the commonality of these recommendations would pave the way for talks with the APHCs, but these did not ensue.
63. However, it should be recognized that the APHC has never had a formal dialogue with any of the previous Interlocutors, the inflamed conditions made it risky for them to embark on talks, and the shadow of the gun hangs over any steps they take in this direction. Moreover, as noted above (*Lessons Learned from Peace Initiatives, 1999-2009*), the Government of India-APHC (M) track worked best when it was cushioned by India-Pakistan talks. When we began our mission, all the tracks of dialogue had withered. While the formal India-Pakistan track has been recently revived, and briefly overlapped with our mission, the revival of the Government of India-APHC (M) track has not yet occurred and needs to be put on priority footing.

1.6 Conclusions

64. In conclusion, the situation on the ground suggests the following hypotheses:

- (a) Many of the acute problems in Jammu and Kashmir, that led to the anger and frustration we witnessed in 2010, stem from the mismatch of responses to a changing ground situation. Within the State, the armed conflict has almost ended. After twenty-two years of stagnating under conflict, public expectation of administration and rule of law is high, but the existing institutions, which have been greatly degraded due to conflict, are not as yet capable of fulfilling their promises.
- (b) There is a general belief in the State that their problems stem from unresolved issues of political status and Centre-State relations. This belief is not unjustified: the years of conflict have bred institutional dependency and inculcated deniability amongst both its political elites and the administration. Moreover, the ambiguity contained in Article 370 (the word “Temporary”) has aided both communal and political polarization between and within the regions of the State.
- (c) Lastly, as far as political contours are concerned, there is greater unanimity on CBMs in each region and less on the elements of a lasting solution. This is not a major obstacle as the leadership level discussion between political parties about areas of convergence on political contours is yet to begin. However, it does introduce a note of caution.

CHAPTER 2: FOR A NEW COMPACT WITH JAMMU AND KASHMIR

1. The people of Jammu and Kashmir yearn for a permanent end to the conflict that has dominated their lives for twenty-two long years, and for a peaceful resolution of its root causes. They want armed violence to cease forever, the miasma of fear that shadows their lives to lift, and the ugly practices that have been bred by conflict to vanish. They would like the line that divides the erstwhile princely state to “become invisible”, and for their bonds of pluralism and tolerance to be restored. They want the opportunities and mobility that the 21st century offers; in a world with fewer and fewer borders, it is intolerable that they are held hostage by borders of war and isolation. Above all, they long for a life of dignity and honour, of democratic freedoms and the rule of law, a life in which they are masters of their own destiny.
2. Any resolution must be based on the vision for a future that has emerged from our interactions with more than 700 delegations during our visit to the twenty-two districts of the State over the past eleven months. Such a future would see the State acting as a bridge between India, Pakistan and Central Asia; with its glorious heritage of syncretic philosophical, religious and linguistic practice restored; its children taking their place in the young firmament of South Asia and beyond; its economy freed from the shackles of State control; and, most of all, its people living in the harmony that distinguished them during the dark days of partition.
3. The lodestar for arriving at this vision is the empowerment of the State’s people to enable them to address their political, economic, social and cultural concerns, interests, grievances and aspirations without the pulls and pressures that have stymied it time and again. As Prime Minister Vajpayee said, “*Jammu aur Kashmir ko insaniyat ke daire mein dekhna hai*” (2000).
4. This calls, in the first place, for upholding the distinctive status of Jammu and Kashmir – enshrined in Article 370 of the Constitution of India– in letter and spirit. The State must be at

liberty to acquire such powers as it needs to promote the welfare of its people on its own terms. Political space must be provided to all stakeholders to finesse Jammu and Kashmir's constitutional bonds with the Indian Union that find mention in both the Constitution of India and the Jammu and Kashmir Constitution. It stands to reason that such an exercise would in no way compromise India's internal and external security requirements.

5. Furthermore, to give substance to its distinctive status and fulfill the diverse aspirations of all regions, this *New Compact* proposes to simultaneously establish a multi-layered grid of devolved institutions of democratic governance across the State. This alone will go a long way to arrest and gradually diminish the sense of victimhood that grips every region and every religious, ethnic, linguistic and socially-disadvantaged community, including people uprooted from their homes due to wars and endemic violence, without harming the unity and integrity of the State or undermining its pluralist character.
6. The sense of victimhood is articulated in the most intense emotional terms in the Kashmir Valley. The reasons are all too compelling. Here, for over six decades, people have experienced what, in their eyes, constitutes a systematic denial of their democratic rights. They have been witness to rigged elections, the dismissal of elected governments and installation of pliant ones, the arrests of their popular leaders, the choking of dissenting voices through harsh laws, the detention of political prisoners without the due process of law; the failure to bring to book those guilty of violating human rights; and, not least, violence perpetrated by militants and by the security forces. That these alleged violations of human rights – including the deaths of 104 youth in the summer of 2010 – did not adequately figure either in the Indian media or in Parliament is seen, rightly, as India's lack of concern for the sufferings of the Kashmiri people.
7. Add to this the widespread allegations of mis-governance, pervasive corruption among the political and bureaucratic elites,

lack of quality education and public health services; poor physical infrastructure and woefully inadequate job opportunities, especially for skilled and educated youth. All these factors, taken together with what is seen as a mushroom growth of religious extremism of all hues, have brutalized Kashmiri society to such an extent that today it fears for the very survival of its religious and cultural identity.

8. This accounts for political demands ranging from ‘Azadi’ and the establishment of an Islamic State to autonomy, self-rule, achievable nationhood and such other alternatives. At the heart of all these dirges, however, is the sentiment that the woes of Kashmir are due to the emasculation of the substance of its distinctive status enshrined in Article 370 of the Constitution of India.
9. The concerns, interests, grievances and aspirations of Jammu and Ladakh are of another order. People in these regions strongly believe that the Valley politicians have given them a raw deal largely due to an iniquitous delimitation of constituencies. Indeed, there is a strong sentiment in both regions that the Centre has neglected their grievances because of their robust pro-India inclinations. It has taken the people of Jammu and Ladakh for granted and, to make matters worse, consistently chosen to ‘pamper’ the political and bureaucratic elites of the Valley. Such ‘pampering’, they allege, accounts for the sentiments of rage and frustration, particularly among the youth of the two regions. The youth have expressed their sentiments in a peaceful manner so far. But it is only a matter of time before the protests take an ugly turn – as they have in the Valley – unless the grievances are addressed on an urgent and sustained basis.
10. The anti-Valley feelings have widened the regional divide in the State, particularly between Kashmir and Jammu. On certain issues – such as the establishment of facilities for the Amarnath pilgrims – polarization has taken place along communal lines. Some sections of Jammu opinion therefore clamour for a separate State.

11. The demand for Union Territory (UT) status is near unanimous in Leh, cutting across not only party but also community lines (including the small Muslim community, for whom however UT was the least bad of options). There is also a demand for Ladakh to be made a province, on the grounds of its considerable territorial size. Indeed, territorial size is a hot issue in Leh. The immediate grievance is financial, that the principle of State budgetary allocations on population basis is by its nature biased in a region which is territorially large but sparsely populated. The development of infrastructure suffers severely as a result, and there is little doubt that for infrastructure development allocations need to be made on territorial requirements rather than on the basis of the population.
12. Within these regions, however, some communities have their own set of grievances rooted in fears about discrimination by another community. The five Muslim-majority districts of Jammu direct their ire at those Hindu and Muslim Jammuites in Jammu city who seek statehood for Jammu province, much like the Shia-dominated district in Kargil is wary of Buddhist-dominated Leh which seeks Union Territory status for Ladakh. Muslims of these districts indeed argue that granting such a status to Ladakh or establishing a separate State in Jammu will force them, much against their grain, to cast their lot with the Kashmir Valley. Should that happen, the minorities in these districts, too, fear that they will face another partition trauma.
13. Democratic governance through appropriate regional and Panchayati Raj institutions will alone guarantee that the search for a political settlement is not seen through the prism of a particular region or community. In the bargain, it will ensure that a polarization of people along communal, sectarian or ethnic lines is well and truly pre-empted. And it will provide communities uprooted from their homes – most significantly, the Kashmiri Pandits – a direct stake in the State's power structure.

14. The response to the aforementioned observations is to be found in Prime Minister Manmohan Singh's comprehensive vision – presented at the first meeting of his Round Table Conference in 2006 – to free the people of the State from physical, psychological, economic, social and cultural insecurity. In specific terms, this means :

- Freedom from all forms of intimidation, oppression and violence perpetrated by State and non-State actors to enable people to exercise their democratic rights with their honour and dignity intact;
- Freedom from all forces of religious extremism, ethnic or regional chauvinism and majoritarian conceits that disturb communal and inter-regional harmony;
- Freedom from an opaque and unaccountable administration;
- Freedom from economic structures, policies and programmes that frustrate efforts to promote inclusive economic growth and balanced development of all parts of the State;
- Freedom from social structures and policies that are detrimental to disadvantaged social groups, minorities and women;
- Freedom from harsh laws, or laws harshly applied, and judicial delays that curb the space for legitimate dissent;
- Freedom from the kind of intimidation and violence that compel people to flee their habitat;
- Freedom from threats to the religious, linguistic and cultural identity of all communities;
- Freedom from pressures on the media and on media persons, Right to Information (RTI) activists, civil rights groups and cultural organizations.

15. The process to determine the powers that need to be vested in institutions of democratic governance at every level has to be undertaken bearing in mind the dual character of the State and the dual status of its people. The distinctiveness of the State must be emphasized along with its constitutional links with the Indian Union. By that same token, the people of the State should be able

to exercise their rights as both State subjects and as citizens of India.

16. A review of all Central Acts and Articles of the Constitution of India extended to the State over and beyond what was stipulated in the Instrument of Accession was conducted thrice in the past – under the Chief Ministership of Sheikh Abdullah, G.M. Shah and Farooq Abdullah. They reached different, even contrary, conclusions about whether or not the extension had benefited the people. It is, therefore, incumbent on all stakeholders to evolve a consensus on the recommendations of the Group listed in the Chapter on Centre-State relations. (For details see next Section, Centre/ State Relations).
17. Progress on the resolution of outstanding issues between India and Pakistan will hugely facilitate the multi-track deliberations. The establishment of a similar, multi-layered grid of institutions of democratic governance in the areas of Jammu and Kashmir under Pakistan's de facto control can lead to developing consultative mechanisms, consisting of representatives of both sides, to address issues of common interest and concern, especially in areas like water, tourism, forestry, hydel power and the protection of the environment.
18. An India-Pakistan understanding on Kashmir should be a win-win result for both countries, especially in terms of safeguarding their respective security interests as well as their sovereignty in the areas of the erstwhile princely State under their administration.
19. The overwhelming majority of the citizens of Jammu and Kashmir would like to see the Line of Control converted into a Line of Concord and Cooperation (See Chapter 6, *Harmonizing Relations Across the LoC*).

2.1. Centre-State Relations

1. Every seminal document that has shaped the relationship between the Centre and Jammu and Kashmir is contested by one section of opinion or the other within the State and beyond it. The recriminations are rooted in divergent historical memories, ideologies, political dictates and nationalisms. What fuels them are charges of betrayal of solemn promises and the willful neglect of the democratic rights of the people, especially, though not exclusively, the fundamental right to realize their political aspirations in full measure.

2. Thus, the two factions of the APHC and other separatist outfits challenge the very legitimacy of the Instrument of Accession that Maharaja Hari Singh executed on 26 October 1947. He signed it, the argument runs, at the point of a bayonet. The fact that Kashmir's tallest leader, Sheikh Abdullah, was privy to this act leaves the separatist section of opinion cold.

3. However, even when they do not contest the legitimacy of the Accession, the separatist elements insist that it was provisional in nature. It had to be ratified by reference to the will of the people. According to this school of thought, the leadership at the Centre, spearheaded by Prime Minister Jawaharlal Nehru, had time and again accepted this crucial condition. Indeed, the Government of India was party to the resolutions of the UN Security Council that called for determining the will of the people of the State to arrive at a permanent political settlement of the issue. The sound arguments advanced to rebut this argument fall on deaf ears. Pakistan's refusal to vacate the portion of the princely State rendered the resolutions obsolete as indeed UN Secretary-General Kofi Annan himself acknowledged in 2004. Moreover, the report of the European Parliament in 2007, authored by Baroness Emma Nicholson, interpreted the 'four-point formula' that had emerged from the Manmohan Singh-Pervez Musharraf talks as providing self-determination for the former princely State.

4. Mainstream opinion in the State is also divided on the issue of the import of Article 370 of the Constitution of India. The National

Conference wants to revert to the original Article under which the State ceded to the Centre powers related to Defence, External Affairs, Communications and certain ancillary subjects and more specifically to the Delhi Agreement of 1952. The People's Democratic Party wants to build on it by retaining certain features introduced in the pristine Article after 1953 and adding to it a 'Greater Kashmir' dimension de facto if not de jure. Sajjad Lone's "Achievable Nationhood" goes several steps further as regards both the internal and the external dimensions of the Kashmir issue.

5. At the heart of this debate is the question of determining whether the spate of Central laws and Articles of the Constitution of India extended to Jammu and Kashmir since 1953 – and duly incorporated in the State's Constitution either in toto or with modifications – were constitutional or not and whether they benefited the State and its people.

6. Two reviews conducted to settle this question came to different, indeed contrary, conclusions. The first one, prepared by Mr. D.D. Thakur during the Chief Ministership of Sheikh Abdullah, concluded that all central laws and provisions of the Constitution of India extended to the State were properly applied. The following year, another review, conducted by Ghulam Nabi Kochak, was severely critical of the Thakur report. Neither of them was laid on the table of the House. The differences were essentially over two issues: whether the proper procedure to obtain the State's concurrence was obtained and whether the laws and provisions of the Constitution extended after the State's Constituent Assembly had ceased to exist in November 1956 were constitutionally tenable. The arguments made against or in favour of these contentious matters have not been settled till this day partly, no doubt, because of Sheikh Abdullah's constitutionally controversial dismissal and arrest on 8 August 1953.

7. Three cases that came up before the Supreme Court did not settle the issue either. In Premnath Kaul v State of Jammu and Kashmir (1959) a Constitution Bench took the view that the last word on the relationship between the Centre and the State belonged to the State's Constituent Assembly. In 1968, however, another Bench in Sampat

Prakash v The State of Jammu and Kashmir ruled to the contrary. So did the third Bench in Mohammad Maqbool Dawnoo v the State of Jammu and Kashmir. However, these contrary rulings did not stand in the way of the Indira Gandhi- Sheikh Abdullah Accord of 1975 negotiated by G. Parathasarathi and Mirza Mohammad Afzal Beg. However, the terms of the Accord were never implemented.

8. To search for a permanent, political settlement in Jammu and Kashmir against the backdrop of so many serious, indeed even fundamental, differences on every major document related to defining the relationship between the Centre and the State may seem like a search for the proverbial needle in a haystack. However, this need not be the case. Our interactions across the State have shown that all major stake holders agreed to a set of principles for seeking a settlement

9. The principles are as follows:

- (i) It should be centered on democracy, equity and rule of law;
- (ii) Violence of all kinds should be eschewed, including hate speech;
- (iii) It should take into account the diversity and pluralism of Jammu, Kashmir and Ladakh;
- (iv) Key stakeholders must be on board and commit to its timely implementation;
- (v) It should be acceptable to the people of Jammu, Kashmir and Ladakh;
- (vi) It should be acceptable to the people of India and,
- (vii) It would need to cover not only political status but also economic self-reliance, strengthening of the social infrastructure, security and administrative system reforms, internal demilitarization and justice.

10. Moreover, a careful perusal of proposals made by the State political parties indicates a wide accord on the elements of such a settlement. For, through all these documents the core idea of a special relationship remains constant though challenged by certain sections of opinion in Jammu and Ladakh.

Special Status as the Baseline:

Historically, Special Status has been the key issue between Jammu and Kashmir and India (leaving aside the Pakistan question for the time being). The Constitution of India is flexible enough to permit many variations of relationship between the Union and the States. Article 370 gave Jammu and Kashmir sovereignty over all issues excepting defence, foreign affairs and communications. Subsequent agreements between the Government of India and the Kashmiri leadership also put self-governance at the core.

Most of the current proposals for a settlement take the existing legal documents, such as the Instrument of Accession, the 1952 Delhi Agreement, Article 370 of the Constitution of India, and the Constitution of Jammu and Kashmir as starting points.

The key features of these legal documents are:

- (i) Indian Parliament would have no residuary powers over Jammu and Kashmir; the Jammu and Kashmir Assembly would be solely responsible for legislative acts.
- (ii) The Head of State, *Sadr-i-Riyasat*, would be elected by the Jammu and Kashmir Assembly, not nominated by the President of India, but would serve at the President's pleasure. There would be a Prime Minister, *Wazir-e-Azam*, not a Chief Minister.
- (iii) The State Assembly could confer special rights and privileges on 'State subjects' in view of the State Subject Notifications of 1927 and 1932.
- (iv) The President of India could grant reprieves, pardons and remission of sentences in Jammu and Kashmir.
- (v) The Supreme Court of India would have only appellate jurisdiction in Jammu and Kashmir.
- (vi) Article 352 of the Constitution of India, empowering the President to proclaim a general emergency in the State, would apply in the exercise of the Centre's powers over defence (Item 1 on the Union List), but the President would only proclaim a general emergency on account of internal disturbance "*at the request or with the concurrence of the Government of the State*". Article 356 would not apply.
- (vii) Jammu and Kashmir would have its own flag, in addition to the Indian flag.

11. Before we proceed, we would like to draw attention to the specific commonalities and divergences between the autonomy document of the National Conference (NC) and the self-rule document of the People's Democratic Party (PDP) with references, whenever required, to Sajjad Lone's document on 'Achievable Nationhood'. Our intent is to build on the commonalities.

Commonalities and Divergences:

12. This is what the NC and PDP proposals share in common:

- At the symbolic level, they stress the need for Jammu and Kashmir to continue to have its own flag and its own Constitution. Both also seek the restoration of the pre-1953 appellations of the Governor and the Chief Minister.
- At the substantive level, they agree on an elected Governor and limitation of the President's authority to impose Governor's rule.
- Control over economic resources and fiscal powers are further common points, which Sajad Lone's "Achievable Nationhood" also supports.
- Rolling back Article 312 (All India Services) and the All-India Services Act, 1951.
- Making article 356 inapplicable to the State.
- Preservation and promotion of all languages spoken in the State.

Divergences:

13. While one set of proposals focuses on full implementation of Article 370, the other suggests retention of the authority of the Election Commission and Supreme Court, on the grounds that these are independent institutions and it would take Jammu and Kashmir years to develop a comparable expertise. These two institutions play a key role in conduct of free and fair elections and in guaranteeing the fundamental rights of citizens and can be seen as either strengthening or vitiating the Special Status of Jammu and Kashmir; much would depend on the terms of reference they have for the State.

14. There are two other major divergences between the NC and PDP proposals. The first is that the PDP envisages a solution that will apply on both sides of the LOC while the NC is focused on relations with India.

15. The second major divergence is that some proposals envisage a form of global economic integration, with the State acting as a connector between India and Central Asia. Ladakh's political leaders add China. Not only would the State prosper, so would mainland India and the countries through which trade would transit, they argue. The concept has traction at this time when the revival of the Silk Route is promoted by Europe and China and has been put at the heart of economic revival in Afghanistan.

16. In formulating our recommendations on these issues we have addressed the following questions:

- What powers does the State need to assert its special status? And what is it ready to surrender to the Centre to assert its constitutional bonds with the Indian Union?
- Secondly, would autonomous institutions of the country, such as the National Human Rights Commission, National SC/ST Commission, National Commission for Minorities, National Commission for Women, etc. benefit the people – in their capacity as Indian citizens – in full measure?

We believe that answers to these questions must be sought in the context of the vastly changed situation in the world since Jammu and Kashmir acceded to the Indian Union. The State's economy is inextricably linked with the economy of India, especially on the strategic, economic, technological and cultural fronts.

17. In this context, we believe that retaining many of the Central laws made applicable to the State over the past six decades should not give rise to any strong objections. They must be seen to be what they are: fairly innocuous laws that enable the State to conform to international standards, norms and regulations. Consider these illustrative examples: laws related to opium, press and registration of books; negotiable instruments; trade unions; the Reserve Bank of India;

agriculture produce (grading and marking); drugs and cosmetics; the Dentist's Act; NCC; employees insurance; banking companies; chartered accountants; the Indian Standards Institution (certification marks); the Cinematograph Act (limited application); commissions of enquiry; standards of weights and measures; suppression of immoral traffic in women; Haj Committee.

18. In the exercise to fine-tune Article 370, we further believe that the interests of the State and the nation alike will be served if certain subjects from list III of the Seventh Schedule are transferred to the State List. These would include:

Entry 6	Transfer of property
Entry 13	Civil procedure
Entry 14	Contempt of Court
Entry 15	Vagrancy, nomadic and migratory tribes
Entry 16	Lunacy and mental deficiency
Entry 17	Prevention of cruelty to animals
Entry 17B	Protection of wild animals and birds
Entry 18	Adulteration of foodstuffs
Entry 20	Economic and social planning
Entry 20A	Population control and family planning
Entry 22	Trade unions
Entry 23	Social security and social insurance; employment and unemployment
Entry 25	Education, subject to certain exceptions
Entry 27	Relief and rehabilitation of persons displaced
Entry 30	Vital statistics
Entry 36	Factories
Entry 40	Archaeological sites and remains with certain exceptions
Entry 42	Acquisition and requisitioning of property
Entry 43	Recovery of claims in respect of taxes etc
Entry 45	Inquiries and statistics

These are relatively minor matters which we needed to get out of the way in order to focus on the substantive issues regarding Jammu and Kashmir's distinctive status.

Options on substantive issues :

On Article 370

- Retain the word ‘temporary’ used in relation to Article 370 even while revamping institutions of governance to make them efficient, transparent and accountable; or
- Replace the word ‘Temporary’ with the word ‘Special’ to assert the unique status of the State. The word applies to other States as well under article 371; or
- Use any other word which will more appropriately reflect the status of the State; or
- Abrogate Article 370.

On the appointment of the Governor:

- Retain the present position whereby the Governor is appointed by the President after consultation with the State government and remains in office at the pleasure of the President; or
- The President selects the Governor from a panel of names of both State and non-State subjects submitted by the State legislature and holds the office at the pleasure of the President; or
- The State legislature elects the governor and is appointed by the President, and by Article 156(1) of the Constitution of India, holds office at the pleasure of the President.

On the powers of the Governor

- The powers of the Governor to dismiss an elected government in case of the failure of the Constitutional machinery in the State is now subject to judicial review by the courts; or
- In case of dismissal of an elected government, fresh elections should be held within three months. During this period, the Governor should be restrained from endorsing any legislation that erodes the special status of the State. However, the period of Governor’s rule can be extended by the Centre in case of intensified and prolonged threat to the security of India; or

- The Governor has no powers to dismiss an elected government. Article 356 of the Constitution of India does not apply to Jammu and Kashmir.

On All-India Services

- Retain the relevant provision of the Constitution of India whereby entry into the Indian Administrative Service (IAS) and Indian Police Service (IPS) and allied services is by direct examination and selection or promote from the State civil services directed by the Union Public Service Commission. The State quota in Kashmir is 50 per cent as against 33 per cent in other States. This can be enhanced.
- Through special coaching, increase the number of direct recruits to the IAS and IPS and get them to opt for service in Jammu and Kashmir. Alongside special training, get officers of Kashmir Administrative Service and Kashmir Police Service to be promoted and posted in positions of authority held by IAS and IPS officers.

On nomenclatures

- Retain the present nomenclature of Governor and Chief Minister to assert the State's constitutional links with the Indian Union; or
- Restore the nomenclatures of *Sadr-e-Riyasat* and *Wazir-e-Azam*, provided that there is consensus on this issue between all stakeholders in the State; or
- Retain the title 'Governor' and 'Chief Minister' in English and find Urdu equivalents of these nomenclatures through consensus.

On extending the writ of other autonomous and statutory institutions

- Strengthen existing State institutions set up to promote human rights and rights of women and encourage transparency in governance (Human Rights Commission and Women's Commission, Information Commission, Accountability Commission, Vigilance Commission, etc.).

- Create new institutions to protect minority interests and offer equality of opportunity to all citizens.
- All autonomous National Commissions engaged in these activities will have jurisdiction over State Commissions.

Recommendations :

19. These recommendations are rooted in the conviction that they will meet the political aspirations of all the people of Jammu and Kashmir to a great extent, if not in full measure, without harming thenational interest:

- Delete the word ‘Temporary’ from the heading of Article 370 and from the title of Part XXI of the Constitution. Replace it with the word ‘Special’ as used for other States under Article 371 (Maharashtra and Gujarat); Article 371A (Nagaland); 371B (Assam); 371C (Manipur); 371D and E (Andhra Pradesh); 371F (Sikkim); 371G (Mizoram); 371H (Arunachal Pradesh); 371I (Goa).
- On Governor: the State Government, after consultations with Opposition parties, shall submit a list of three names to the President. The President can ask for more suggestions if required. The Governor will be appointed by the President and hold office at the pleasure of the President.
- The nomenclatures in English of the Governor and the Chief Minister should continue as at present. Equivalent nomenclatures in Urdu may be used by the State when they refer to the two offices in Urdu.
- Article 356: Actions by Governors are now justiciable in the Supreme Court. The present arrangement should continue with the proviso that the Governor cannot dissolve the State legislature but keep it under suspended animation and hold fresh elections within three months.
- Article 312: The proportion of officers from the All India Services should be gradually reduced in favour of officers from the State civil service, without adversely affecting administrative efficiency.
- Create three Regional Councils, one each for Jammu, Kashmir and Ladakh. (The latter would no longer be a division of Kashmir but would be given provincial status). Devolve enabling legislative power, and executive and financial powers to them. A further devolution of executive and financial powers to Panchayati Raj institutions – at the level of a district, a village panchayat, a

municipality or a corporation – would be part of the overall package. (See Chapter on Regional Devolution of Power).

- Parliament will make no laws applicable to the State unless it relates to the country's internal and external security and its vital economic interests, especially in the areas of energy and access to water resources.
- Extend the writ of autonomous and statutory institutions to the State and ensure that their functioning conforms to the provisions of the Constitution of Jammu and Kashmir.
- Promote cross-LOC cooperation in areas of common interest and concern. (See Chapter on Harmonization of Relations across the LOC.).

2.2 Regional Devolution of Power

20. The real or perceived discrimination felt by Jammu and Ladakh vis-à-vis the Valley accounts for the campaign that the Buddhist-majority population of Leh has waged since 1948 for a Union Territory status for Ladakh. It also accounts for the demand voiced from time to time in the Hindu-majority areas of Jammu for a separate State. Both of them seek close integration with the Indian Union.

21. The need to address the diversity of interests, concerns, grievances and aspirations in the State has been articulated by the tallest national and State leaders. As early as 24 July 1952, Prime Minister Jawaharlal Nehru, addressing a press conference in the presence of Sheikh Abdullah, announced that “the State government was considering regional autonomies within the larger State”. The Sheikh himself stated that “the Constitution of the State, when completed, would give regional autonomy, particularly in cultural affairs, to Jammu and Ladakh.” In a broadcast from Radio Kashmir on 17 August 1953, he remarked that such autonomy “would remove all fears of domination of one unit over the other and will make for the voluntary unity and consolidation of the people of the State.”

22. A sub-committee of the State Constituent Assembly also recommended “a substantial measure of autonomy for each region with power of taxation and legislation”. Many influential voices in the Valley – including Prem Nath Bazaz, Shamim Ahmed Shamim and Khwaja Mubarak Shah – a minister in Sheikh Abdullah’s Cabinet before 1953 – endorsed the idea of autonomy for the region.

23. So did three Commissions that deliberated on the issue – the Gajendragadkar Commission (1967), the Sikri Commission (1979) and the Wazir Commission (1981). The Gajendragadkar Commission said in its report: “Although the Jammu and Kashmir State has been a single political entity for over a hundred years, it cannot be denied that geographically, ethnically, culturally and historically, it is composed of three homogenous regions, namely Jammu, Kashmir and Ladakh... Even if all matters were equitably settled.... there would still be a measure of discontent unless the political aspirations of the different regions of the

State were satisfied. In fact... the main cause of irritations and tensions is the feeling of political neglect and discrimination, real or imagined, from which certain regions of the State suffer.”

24. The Sikri Commission made several recommendations for redressing regional imbalances. But it did not focus on the political aspirations of the regions. The Wazir Commission recommended the creation of new districts and tehsils but declined to address the issue of regional and sub-regional political aspirations.

25. Meanwhile, influential personalities from outside the State who were sympathetic to Sheikh Abdullah – including Jayprakash Narayan and C.D. Deshmukh – stated at a seminar on Kashmir held in December 1967 that “all talks of emotional integration of Kashmir, normalization of all its politics and settlement about any particular constitutional status are completely meaningless unless urges of both Kashmir and Jammu are harmonized”. Jayprakash Narayan was even more forthright when he called in March 1968 for “radical solutions, including greater autonomy, to the Jammu and Kashmir State and within the State itself to regions like Jammu”.

26. In 1968, a Jammu and Kashmir Peoples’ Convention, attended by leading personalities from within and outside the State, including Sheikh Abdullah and Jayaprakash Narayan, called for setting up elected Regional Councils with Executive Councillors. It defined the composition, powers and functions of institutions at the regional, district, block and panchayat levels.

27. Sheikh Abdullah continued to speak about regional autonomy on several occasions in the years that followed. It figures in the political resolutions and elections manifestos of the NC and in the reports of various Commissions that had been established to examine the issue.

28. In the campaign for the assembly elections in 1996, Farooq Abdullah and the NC championed the cause of regional autonomy for Jammu and Ladakh and sub-autonomy for ethnic and religious communities in these regions. The NC received massive support in all

the regions of the State. But even with its two-third majority in the House, the promise was not kept. It did set up a Regional Autonomy Committee (RAC) which, yet again, failed to address the diverse political aspirations of the regions in a comprehensive manner.

29. This report, however, was not the one drafted by the original RAC. Its working first Chairman, Balraj Puri, published the original in 1999. It represents the most comprehensive document by far on all aspects – political, cultural and financial – of regional autonomy. Its detailed recommendations were never considered by the State Government.

30. The NC- initiated report on State autonomy (June 2000) is silent on the issue of Regional Councils. The self-rule framework of the PDP (October 2008), on the other hand, emphasizes the need for sub-regional political and economic empowerment. Like Balraj Puri, it proposes the constitution of Regional Councils and strengthening of Panchayati Raj institutions. Sajjad Lone, in “Achievable Nationhood”, focuses on the ethnic aspirations of the majority group in a particular region, seeks administrative autonomy for districts and wants the choice to ‘opt-out’ of the State in case its majority feels that its interests are better served that way.

31. Other national and regional parties – notably the CPI(M), the Samajwadi Party, the BSP and the Panther’s Party – as well as constituents of the APHC(M) – also favour devolution of political, economic and administrative powers to the regions and sub-regions, though they differ on the nature and the quantum of the powers that need to be devolved.

32. Finally, the report of the Prime Minister’s Working Group on “Strengthening relations between the State and the Centre”, headed by Justice S. Saghir Ahmad, proposes the establishment of a State Planning and Development Board which would be advisory in nature. It will formulate schemes for the State sector, assign priorities and monitor their effective implementation. The Report also calls for the strengthening of Panchayati Raj institutions by taking a cue from the 73rd and 74th amendments to the Constitution of India and greater development assistance to backward areas.

Recommendations:

The recommendations that follow take in to account the variegated suggestions, proposals and recommendations listed above as well as insights provided by the hundreds of delegations that interacted with the Group over the past eleven months.

1. Jammu and Kashmir shall continue to be a single unit. This rules out separate Statehood for Jammu and Union Territory status for Ladakh.
2. The State shall have three distinct regions enjoying equal constitutional status: Jammu, Kashmir and Ladakh. Each one shall be endowed with a Regional Council, district councils and panchayats. (In Ladakh, the Hill Development Councils will be the District Councils).
3. The Governor, the Chief Minister and his Cabinet, the State Assembly, the State Legislative Council, the judiciary and the State cadre of services shall deal with all subjects that need a uniform policy for the State as a whole, subjects that involve expenditure beyond the capacity of the regions, subjects whose benefits transcend the region as a whole, subjects that deal with inter-regional problems and, overall, subjects that are not delegated to the regions.
4. The Legislative Council shall, however, shall have a fairer representation of the three regions. Ideally, it should have an equal number of members – eleven each – to be elected by the Regional Councils. But that might be a big jump for Ladakh from its present quota of two members. A via media needs to be found.
5. The subjects allocated to the regions should be akin to the subjects allocated to autonomous regions in other States and to the 27 subjects handled by districts in other parts of the country. All subjects within the financial capacity of the regions should be included. A provision similar to Article 249 of the Constitution of India should be included in the Jammu and Kashmir Constitution to facilitate, with the consent of the Regional Councils, transfer of subjects from one list to another.

6. In addition to executive and financial powers allotted to them on the lines of powers made available to Autonomous District Councils on the basis of the 6th Schedule of the Constitution of India, the Regional Councils shall be empowered by the State Assembly to pass subordinate, enabling legislation. This would enable the Regional Councils to effectively implement the State Assembly's basic legislation by taking into account the specific economic, social and other needs of the people of the region. The membership of the State's Public Service Commission will also reflect Jammu and Kashmir's regional pluralism.

7. The composition, election, powers and functions of the Regional Councils shall be based on the points of convergence of the various proposals that favour the establishment of such councils. The State Constitution should be amended accordingly to provide for Regional Councils and can include a special provision – on the lines of Article 356 of the Constitution of India – to enable the State Government to recommend to the Governor that it should take over the functions of a Regional Council if it does not shoulder its responsibilities according to the letter and spirit of the Constitution of the State.

8. The Panchayati Raj institutions at the level of the districts and panchayats shall be empowered on the basis of the substance of the 73rd and 74th amendments of the Constitution of India.

9. Members of the Regional Councils and those of the Panchayati Raj institutions shall be elected. However, representation would be assured for women, SCs, STs, OBCs and displaced communities through reservation of an appropriate number of seats. The Governor shall be authorized to appoint members of minority communities who are not adequately represented in the Council. Their number shall not exceed 10 per cent of the total strength of each institution. MLAs will be ex-officio members with voting rights in Regional Councils.

10. All resources generated within the State will be equitably apportioned to the regions bearing in mind their population size and the topography. This applies for the budget as a whole.

11. Grants made by the Central Government shall be on condition that specified amounts are devolved to the regions without delay. The State Finance Commission's ambit of powers and responsibilities shall be expanded accordingly.

12. The cultural component of regional empowerment should include the setting up of autonomous institutions for the promotion of various languages in the State – Urdu, Hindi, Kashmiri, Balti, Dogri, Gojri, Pahari, Punjabi, Bodhi, Sheena, Bhaderwahi, etc. and various art forms including music, dance, theatre, paintings and handicrafts. To ensure cultural give-and-take, these autonomous institutions should also undertake the translations of literature from every language in the State to another in different scripts. (This should be read along with a separate Chapter in this report on Cultural and Media Components of the New Compact).

13. To carry forward the recommendations made in the previous section (Centre-State relationship) and in this one we suggest the establishment of a Constitutional Committee to review all Central Acts and Articles of the Constitution of India extended to the State of Jammu and Kashmir after signing of the Delhi Agreement of 1952.²This Agreement, along with the Instrument of Accession and Article 370 of the Constitution, has been adopted by the Indian Parliament and the Constituent Assembly of Jammu and Kashmir.

The Constitutional Committee will be headed by a distinguished jurist who enjoys esteem and respect in the State and in the rest of the country. Its members will be constitutional/legal experts from the State and the rest of India. Their choice will have to be acceptable to all stake-holders.

In the exercise of its mandate, the Constitutional Committee will bear in mind the dual character of Jammu and Kashmir, viz that it is a constituent unit of the Indian Union and that it enjoys a special status in the said Union, enshrined in Article 370 of the Constitution of India. It will also

²To date, 94 of the 97 entries in the Union list have been applied to the State as have 26 entries in the Concurrent List, 6 more with modifications (for details see *Annexure 'A'*.)

have to bear in mind the dual character of the people of the State, viz that they are both State subjects and Indian citizens. The review will, therefore, have to determine whether – and to what extent – the Central Acts and Articles of the Constitution of India, extended with or without amendment to the State, have dented Jammu and Kashmir’s special status and abridged the State government’s powers to cater to the welfare of its people.

The Constitutional Committee should be future-oriented in that it should conduct its review solely on the basis of the powers that the State needs to address the political, economic, social and cultural interests, concerns, grievances and aspirations of the people in all the three regions of the State – Jammu, Kashmir and Ladakh – and all its sub-regions and communities. In this connection, the Committee will also need to reflect on the quantum of legislative, financial and administrative powers that the State Government should delegate to the three regions at all levels of governance – the regional, district and panchayat/ municipality.

14. To facilitate the evolution of a consensus on these issues, our Group suggests that the Constitutional Committee should consider the subjects out of List II of the Seventh Schedule that could be transferred from the State Legislature to the Regional Councils (Examples):

Entry 4	Prison, reformatories
Entry 6	Public Health and sanitation
Entry 9	Relief of the disabled and unemployable
Entry 10	Burials and burial grounds
Entry 13	Communications, that is to say, roads, bridges, etc.
Entry 15	Preservation, protection and improvement of stock and prevention of animal diseases
Entry 16	Pounds
Entry 21	Fisheries
Entry 28	Markets and fairs
Entry 30	Money-lending and money-lenders
Entry 31	Inns and inn-keepers
Entry 33	Theatres and dramatic performances
Entry 49	Taxes on lands and buildings

Entry 52	Taxes on the entry of goods into a local area for consumption
Entry 57	Taxes on vehicles
Entry 58	Taxes on animals and boards
Entry 59	Tolls

And among the subjects from List III transferred to the State Legislature, the State Legislature could consider delegating some of those subjects to the Regional Councils.

15. In this context, the recent agreement on Gorkhaland should also be considered. Extracts from this agreement related to the 59 subjects that are to be transferred to the Gorkhaland Territorial Administration and to the 48 projects to be undertaken by GTA to develop the physical and social infrastructure in the GTA area to accelerate development in the region are listed in *Annexure 'B'*.

16. The Constitutional Committee should be requested to complete its work within six months. Its recommendations must be reached through consensus so that they are acceptable to all stake-holders represented in the State Assembly and in Parliament. The next step would be for the President, in exercise of the powers conferred by Clauses (1) and (3) of Article 370 of the Constitution, to issue an order incorporating the recommendations of the Constitutional Committee. The order will need to be ratified by a Bill in both Houses of Parliament and by each House in the State Legislature by a margin of not less than two-thirds majority of the total membership present and voting in each House. It will then be presented to the President for assent. Once this process is over, Clauses (1) and (3) of Article 370 shall cease to be operative and no orders shall be made by the President hereafter under the said clauses as from the date of the final order.

The Group of Interlocutors does not recommend a pure and simple return to the pre-1953 situation. This would create a dangerous constitutional vacuum in the Centre-State relationship. The clock cannot be set back. What it does recommend is a case-by-case review of all Central laws and

Articles of the Constitution of India extended to the State after the July 1952 Delhi Agreement that takes into full account the following factors:

- Any proposed change that questions the sovereignty of India and disrupts its territorial integrity or compromises India's defence and larger, strategic economic interests cannot be entertained.
- Trends and processes that have emerged over the past two decades indicating closer political, economic and cultural integration within the country, the South Asian region and beyond must be factored in while conducting the review.
- The key relevance of any proposed change must be judged on whether or not it will contribute to the welfare of the people of the State.
- In this regard, the primary focus should be on youth, especially in the Valley, and on women.
- It is the future that should matter; not the past, burdened with a highly contentious historical baggage.

We believe that power-sharing between the constituent units of Jammu and Kashmir at the regional, district and panchayat levels will strengthen, not weaken, the bonds between them. Indeed, adjoining districts that fall within the jurisdiction of separate regions, must be free to forge cooperative linkages in cultural, trade, tourism and environmental areas of interest.

The Group of Interlocutors would like to stress that the evolution of the Constitution of India over the past six decades – from the formation of the linguistic States in the mid-1950s to the recent agreement on Gorkhaland– clearly demonstrate that it is flexible enough to respond to the collective urges of the people. Such flexibility can be brought to bear as regards the people of Jammu and Kashmir as well.

Finally, we recommend that once internal devolution is in place, and Regional Councils begin to function, the practice of shifting the Darbar from Srinagar to Jammu and back to Srinagar should be abandoned. This will render administration of the State more effective and substantially reduce the burden on the exchequer. Besides, a relic of the State's feudal past will be consigned to the archives – where it should remain for all times to come.

CHAPTER 3: CULTURAL AND MEDIA COMPONENTS OF THE NEW COMPACT

1. Cultural intervention will go a long way in bringing about harmony within and between the regions. However, there is a need to accept the fact that even within the regions a lot needs to be done to re-imagine intercommunity relationships before or while approaching the inter-regional dimensions.

2. Note must be taken of the fact that cultural organizations such as the Dogri Sansthan have done a great deal to mitigate the communal polarization between Jammu and the Valley. Better interaction between cultural organizations in the different regions of the State will further the goals of pluralism and diversity. Similarly, note must be taken of the broad consensus that has been witnessed in Kashmir about the return of Pandits. It has been endorsed on all sides of the political divide, though on the ground progress is slow. This must be carried further outside the scope of government proposals. The repair of ancient temples by the Pandit community is a welcome step in this regard. The management of the temples must be in their hands.

3. To promote pluralism in the State, it is necessary that all communities live together as they did before the onset of militancy. Migrants intending to return should be encouraged to live along with the community instead of in separate hamlets; cultural and community activities will help reassure migrants of their welcome by the majority. There should be an uninterrupted inter-community dialogue.

4. ***Recommendations:***

- Initiate through institutionalized forums an intra-Kashmiri dialogue between community representatives of all regions.
- Exchange programmes of students, writers, artists and crafts persons and facilitating NGOs and civil society members to offer their strengths in all the three regions will help in reconnecting and reintegrating hearts and minds in all the three regions.
- There should be inter-regional dance and theatre competitions and cultural talks and story books about inter-regional cultures should

be made available in schools to facilitate exchange of cultural ethos and values.

- The larger issue of appropriate infrastructure for promotion of arts in the regions has to be addressed in right earnest. Except for some prohibitively expensive public schools, there are no facilities for art education.
- Include in educational materials the teachings and concepts of Lal Ded, Sheikh Noor-ud-din Noorani and other Sufi scholars as well as key Vedic and Buddhist texts.
- The State has established libraries at the district level. Unfortunately, these libraries are grossly underutilized. A major plan to modernize them by providing internet connectivity, photocopying facility, modern education aids, and support for creative activities for children will result in turning them into a productive asset for the community.
- The Academy of Art and Culture is virtually defunct and needs to be revitalized. It could either follow the Akademi structure in the rest of the country, with a different Academy for each of the arts, or could be expanded and diversified with separate divisions for each of the Arts. Both Jammu and Ladakh should have branches of the Academy. An art gallery needs to be established in Srinagar. Special attention should be given to the conservation of heritage sites in the State. Funding to organizations like INTACH should be increased.
- In respect of the promotion of art and culture in the State, funds are provided to NGOs, institutions and other entities engaged in such activities. But there is a widespread feeling that such funds are misused and utilized more on salaries of office bearers than on genuine activities. It is suggested that these complaints must be looked into and remedial action taken.
- The folk traditions of the State are gradually being lost. Such popular forms as the Bhands in the Valley still exist but are given no support. Yet they were a key element in the pluralist culture of the State.
- The age-old symbiotic relationship between the three regions of the State was cemented by trade, exchange of skills, and use of routes towards Central Asia and the subcontinent. This is still valid and

lives in historical memory. The State needs to cultivate and build on this trust further. In this context, Pashmina forms the identity of Kashmiri culture but its sale from Ladakh to Kashmir was banned in 1989. This trade should be restored.

- Likewise, steps should be taken to promote cultural exchanges across the LOC. LOC trade has created a degree of interaction between the two sides but it will not have much impact unless cultural relations, especially in Jammu and Ladakh (Kargil), are established on a people-to-people basis. Gojri and Pahari are spoken on both sides of the LOC in Jammu and Mirpur. Sheena and Balti are spoken across both sides of the LoC in Gilgit-Baltistan and Kargil.
- Cross-LOC trade must also include tourism. The present cross-LOC trade agreement does not list it as an economic exchange. As part of the overall Indo-Pakistan policy to facilitate religious pilgrimages, the Sharda Mata Temple should be reopened for pilgrimages.
- Radio and television programmes in all major languages spoken in the State must be encouraged through the government media.

Media: Recommendations:

- Publishers have alleged that newspapers that do not toe the line are denied Government advertisements. On the other hand, the Government alleges that certain newspapers publish unsubstantiated stories and engage in a vilification campaign. Both these matters need to be investigated by a body like the Press Council of India or the Editors Guild of India.
- Allegations have also been made to the effect that publishing houses inflate their circulation figures to engage in malpractices. The Audit Bureau of Circulation (ABC) plays no role in the State. Nor are Readership Surveys carried out. Both need to be introduced without delay.
- The sources of funding of newspapers are also a matter of unhealthy speculation. A thorough investigation carried out by the Press Council of India can alone settle the issue.

- Newspaper editors in the State should be encouraged to participate in the activities of the Editors Guild of India and other national and South Asian professional bodies.
- Local newspaper editors should be routinely included in the press parties that accompany the President and the Prime Minister during their trips abroad.
- Journalists from the State should be provided short-term training in institutes of mass communication in order to improve their reporting and writing skills.
- More national media houses should be encouraged to publish Jammu and Kashmir editions. Local television and radio channels too should be persuaded to enter into win-win collaborative agreements with national and regional channels in the rest of the country.
- Curbs on Internet and mobile telephone usage need to be urgently reviewed.

CHAPTER 4: ECONOMIC AND SOCIAL COMPONENTS OF THE NEW COMPACT

4.1 Governance and Development of the State: Recent Initiatives³

1. Realizing the gravity of the prolonged turmoil in the State, that led to misgovernance, economic frustration and alienation among people, particularly the youth, the Central Government undertook several diagnostic and prescriptive studies. On the basis of research findings, these studies have tried to design policies and suggest implementation of strategies to redress the grievances of the people and to lay a strong foundation of infrastructure for faster economic growth.

The studies, that are at various stages of implementation, are as under:

- I. *Report of the Task Force on Development of Jammu and Kashmir, under the Chairmanship of Dr. C. Rangarajan, November 2006.*
- II. *Report of the Working Group on Economic Development, under the Chairmanship of Dr. C. Rangarajan, March 2007.*
- III. *Report of the Working Group on Ensuring Good Governance, under the Chairmanship of Shri N.C. Saxena, 2007.*
- IV. *Report of the Special Task Force on the Developmental Needs of Ladakh Region(Jammu and Kashmir) under the Chairmanship of Dr. Narendra Jadhav, January 2011.*
- V. *Report of the Special Task Force to Examine the Developmental Needs of Jammu Region of the State of Jammu and Kashmir, under the Chairmanship of Dr. Abhijit Sen, February 2011.*
- VI. *Report of the State Finance Commission under the Chairmanship of Dr. Mehmood-ur- Rehman, Govt. of Jammu and Kashmir, November 2010.*
- VII. *Report of the Expert Group on Employment in Jammu and Kashmir, under the Chairmanship of Dr. C. Rangarajan, in February 2011.*

³ For details of progress on the economic and social fronts, see Backgrounder in Annexure 'C'

2. Thus, in the last five years alone, from 2006 to 2011, at least seven comprehensive research and policy-oriented studies have been accomplished by the teams of experts who have thoroughly examined the entire gamut of issues pertaining to the socio-economic development of the State.

3. In particular, the studies have focused attention on (i) assessing the socio-economic conditions of people in different regions; (ii) ways and measures for laying a strong foundation for development of infrastructure to ensure long-term sustainable economic growth; (iii) identifying potential sectors for income and employment generation; (iv) empowerment of people, particularly weaker sections, through education and health care; (v) effective implementation of poverty alleviation programmes through centrally sponsored schemes; (vi) enhancing volume of LOC trade, including free movement of people across the borders; (vii) improving overall governance through use of ICT-enabled services; (viii) maintaining inter-regional balanced economic development.

4. During the interactions with senior officials of the State and at the Centre, the Group has been given to understand that the recommendations of the expert groups are at various stages of implementation. But reliable evidence on the extent of implementation of various suggestions made in the Reports is lacking.

5. In the absence of complete and comprehensive ATRs with respect to each Report or the recommendations made therein, the Group is unable to gain an idea about the extent of the implementation of various suggestions.

6. The Group has not had the time or resources either to undertake an independent study with a view to formulating a futuristic strategy of economic development for the State or to make an independent assessment of the impact of execution of the policy recommendations made by the authors of the above reports.

7. We, therefore, suggest that:

- An empowered group consisting of officials at the Centre and in the State should be entrusted with the task of overseeing the implementation of various recommendations of the Reports, as identified above. The outcome of each planned effort should be put in public domain so as to allow people to scrutinize the economic gains, if any. It would also ensure accountability of implementing agencies and departments.
- Adequate resources, commensurate with the task of effective implementation of accepted policies, should be made available to the State and the utilization of funds should be properly monitored. The trend in non-utilization or inefficient use of funds has to be reversed through deliberate efforts to improve governance in the State. Laxity in implementation of approved schemes should not be tolerated; and for this, mechanisms of seeking accountability of public authorities should be strengthened.

4.2 Economic and Financial Dependence of the State

8. The topography of the State is such that it hardly allows for raising resources – physical and financial – for adequate investment in infrastructure and other socioeconomic activities. Besides, the unfortunate developments in the region leading to frequent wars on the border and prolonged militancy have destroyed the potential bases for exploring and exploiting natural resources for promotion of such activities as business and commerce, industry and agriculture.

9. More than 70 per cent of the people of the State are engaged in agriculture, yet the agricultural sector contributes to less than one-third of the State's income. The State is heavily dependent on import of agricultural and poultry products from other States. Likewise, the base of production of industrial and manufactured goods is narrow; the State requires considerable external support in the form of goods and services as well as financial resources.

10. At least two-thirds of State finances are met from Central grants, which are liberally extended on the ground that the State is characterized as a 'Special Category State'. In addition, financial support for specific purposes is provided from time to time to rectify deficiencies in infrastructure development and redress grievances of the people and certain groups or communities who are affected due to militancy and natural calamities. By any reckoning, the financial health of the State is precarious. Consider the following:

(i) Jammu and Kashmir has a deficit of about 10 per cent of State income. This poses a major challenge of economizing expenditure as well as raising resources from alternative sources in order to enhance the level of investment in the State for strengthening economic infrastructure. Besides, the State's debt burden is as high as two-thirds of its domestic product.

(ii) The Central plan assistance is stepped up at the rate of 10 per cent per year which is inadequate to neutralize the rise in prices. At the same time, the plan outlay has not been fully utilized in any of the years examined by us. This may be construed to

mean that investments in real terms or at constant prices have not appreciably increased.

(iii) The Finance Commission awards for strengthening and promoting local governance (Panchayats) have not been fully utilized due largely to inordinate delay in holding Panchayat elections and making them functional. Eventually, the State is a loser due to the State's lack of responsiveness to community needs.

(iv) Under the Prime Minister's Reconstruction Plan, over Rs.32,000 crore have been approved since 2004, but till now only about one-third of the total grants have been utilized. As a result, the people of the State have not been able to reap the benefits of infrastructure development, poverty alleviation programmes and other activities for promotion of welfare and tourism.

(v) The credit-deposit ratio for the State— at about 47 per cent -- is one of the lowest in the country, which indicates that the investment environment in the region is not conducive for business and commercial activities. Hard saved money by people in the banks has flowed elsewhere due to both inadequate economic and investment activities and lack of entrepreneurial capacity of the State to engineer industrial development.

(vi) The Central Government, under various flagship programmes, has provided support for implementation of poverty alleviation schemes. But the funds have remained under-utilized, as discussed elsewhere in this Report.

11. All in all, the State is not only heavily dependent on the Centre for financial and other material resources, but is also unable to fully utilize the available funds. As a result, the overall investments are much below the volume needed for improving infrastructure and quality of human resources. The entire gamut of fiscal management, including mobilization of internal resources, should, therefore, be urgently examined with a view to reconciling the concepts of political and economic components of the New Compact.

4.3 Implementation of Flagship Programmes

12. There are as many as sixteen Centrally Sponsored Schemes (CSS), which are entirely or, in some cases largely, funded by the Centre. Through these schemes, a wide range of services are provided with a view to alleviating all forms of poverty and for extending basic infrastructure support for improving the quality of life.

13. The implementation of relevant schemes for rural employment, health care, nutrition support, drinking water and sanitation, education for all, water management and productivity in the agricultural sector, have helped to reduce illiteracy and the incidence of poverty.

14. However, an assessment of the programmes reveal that most schemes have not been fully implemented, as judged from the utilization of resources. At least for eight major schemes, the extent of utilization of funds is presented below (Tables 1 through 5). The major highlights are indicated in each of the analyzed statistical tables. For the remaining CSS, the pattern of utilization of resources is no better than those discussed above.

15. Clearly, had the available funds been effectively used through a concerted effort, the hardships faced by the poor could have been greatly alleviated. It is, therefore, urgent to put in place a monitoring mechanism for effective implementation of Central Schemes so that genuine benefits accrue to the people.

Utilization of Funds under Various Schemes: An Assessment

Table 1: MNREGA (Rural Employment Scheme)

Rs.Crore					
Year	Total Availability	Expenditure	Utilization (%age)	Excess H.H. Demand for Employment	Completed works as % age of works undertaken
1	2	3	4	5	6
2007-08	92.79	65.26	70.33	Nil	47.98
2008-09	146.52	86.89	59.30	11627	43.83
2009-10	208.79	194.42	93.12	16462	59.83
2010-11 (up to June 2011)	269.24	70.39	26.14	17277	70.76

Source: Computed on the basis of data contained in “*Past Two Years of Rural development and Panchayati Raj Department*” Government of Jammu and Kashmir, 2011

Note: Column 5 shows the difference between the demand for employment and those provided by implementing agencies. These aggregate figures hide inter-district and intra district differences across the State.

Major Highlights:

1. On an average, at least one third of available grants could not be utilized (Col. 4), even though there was excess demand for jobs by the rural poor (Col. 5).
2. In all the years the target fixed for completion of works undertaken, was missed (Col 6), which indicates a lower level of performance than expected.

Table 2: Indira Awas Yojna (IAY)**Rs. Crore**

Year	Availability of funds	Expenditure	Utilization % age	Houses taken up for construction /up grading as % of completed
2007-08	38.38	34.33	89.45	65.11
2008-09	67.82	53.54	78.94	33.58
2009-10	108.02	90.47	83.75	65.84
2010-11 (Up to May 2011)	41.96	3.31	7.89	11.72

Source: As in Table-1*Major Highlights:*

1. Under the scheme of IAY, financial support is provided to the poor for construction of houses. In the years 2007 to 2011, on an average, only 65 per cent of the total available fund was utilized. Year to year break-up is indicated above.
2. The results demonstrate that neither were the funds fully utilized nor were the fixed targets achieved, which reflect inefficiency in the implementation of the scheme.

Table 3: Swarnjayanti Gram Swarozgar Yojna (SGSY)**Rs. Crore**

Year	Availability	Expenditure	Utilization ((%)
2007-08	13.53	9.31	68.81
2008-09	16.27	10.42	64.04
2009-10	21.78	12.02	55.19
2010-11 (Up to May 2011)	10.81	0.51	4.77

Source: As in Table-1

Major Highlights:

1. The scheme of SGSY is designed to provide financial support to self-help groups and self employed individuals who may be engaged in various economic activities.
2. A major chunk of Central grants has lapsed due to non-utilization of available funds in all the years, as above.
3. During the last three and a half years, i.e. 2007 to 2011, on an average, only 48 per cent of available funds could be utilized.
4. As a result, the beneficiaries could not reap the benefits assured to them under this scheme.

Table 4: Prime Minister's Grameen Sadak Yojna (PMGSY), 2009-10

Number of roads taken up in Phase I and II	Number of Roads completed	Available Funds (In Crore)	Expenditure (In Crore)	Utilization of funds (%)	Realization of target (%)
102	87	92	77.54	84.29	85.29

Source: As in Table-1**Major Highlights:**

Under PMGSY, at least 15 percent of available funds could not be utilized in 2010-11. The realization of the target fixed for the year was accordingly lower, which demonstrates that the desired efforts to implement the scheme for providing road links to rural villages were not made in adequate measure.

Table 5: District Rural Development Agency (DRDA)

Rs Crore

Year	Availability	Expenditure	Utilization ((%)
2007-08	14.72	7.80	52.99
2008-09	20.78	9.31	44.80
2009-10	26.02	13.56	52.11
2010-11 (Up to May 2011)	11.15	3.64	32.65

Source: As in Table-1

Major Highlights:

1. The DRDA scheme aims at strengthening the local administration and empowering Panchayats, by providing technical and professional support for effective implementation of various programmes.
2. The Central grants available under the scheme have not been fully utilized, as evident from Table 5, which shows that at least 50 percent of total available resources could not be utilized.

Backward Region Grant Fund (BRGF)

- Amount sanctioned/released in 2009-10: Rs.40.78 crore
- Total Expenditure: Rs.36.45 crore (89.38 per cent)
- Clearly, entire available resources could not be utilized

Integrated Watershed Development Programme (IWDP)

- Sanctioned projects: 37, of which 5 have been completed, 2 suspended and 30 projects are at different stages of completion.
- Availability of funds : Rs.43.71 crore (Till May 2011)
- Utilization : Rs.35.80 crore (81.90 per cent)
- At least 18 percent of the total available funds could not be utilized for reasons known only to the implementing agency.

Total Sanitation Campaign (TSC) in Rural Areas

- Of the total available funds of Rs.83.16 crore, Rs. 75.27 crore (90.51 per cent), was utilized till November 2010.
- The achievement levels of different activities covered under the scheme were less than 50 per cent, indicating less than the desired level of performance under the scheme.

Clearly, an assessment of the utilization of funds and realization of targets reveals unsatisfactory progress ever since the launch of the flagship programmes, namely National Rural Health Mission, Sarva Shiksha Abhiyan, JN National Urban Renewal Mission, and Pradhan Mantri Grameen Sadak Yojna. The meagre resources earmarked for providing socio-economic services have never been utilized in any

financial year. Even the guaranteed entitlements for grant of pensions to widows, old and physically challenged persons have not been extended to all the eligible beneficiary groups. Such a lackadaisical attitude in the officials of implementing agencies has resulted in perpetual deprivation of services to people which is why they are unhappy and frustrated and demand improvement in governance across the sectors of development.

4.4. Strategic Policy Planning for Economic Self Dependence

16. Economic policy for the State should be designed on the basis of available resources – financial, human and material – and the felt needs of the people. Due to a long spell of conflict, which has disturbed peace and social harmony in the State, there are major constraints of policy planning for embarking on faster economic growth. First, agriculture and allied sectors suffer from lower productivity due to which employment and income generation have not been adequately augmented. Potential sectors of development, namely horticulture, handicrafts, minerals, water resources, international tourism, have not been paid due attention in formulating strategic economic plans. The existing resources have therefore not been optimally exploited. Second, environment for private investment, particularly through the modes of public-private partnership, is conducive for boosting industrial activities. Third, overall governance, including fiscal management, has not been duly responsive to the socio-economic needs and aspiration of the people.

In order to ensure faster, more inclusive and sustainable growth, there is a need to identify critical areas where the existing policies and programmes need to be strengthened or even restructured. The challenge of raising productivity of resources across socio-economic sectors, creating job opportunities, managing power and water resources, improving governance and delivery of essential services are likely to become more severe. The availability of resources for financing the new schemes would be a constraint. There is, therefore, need to focus more on efficient utilization of resources and to supplement public resources with private investments, wherever feasible.

17. Making the PPP Models work: The Central and State governments, including Jammu and Kashmir, have adopted different models of public and private partnership (PPP) to attract private investment for development of infrastructure and for expanding and diversifying various socio-economic activities. These experiments have been very successful and rewarding in terms of the economic viability of projects under PPP. It may be worthwhile to identify the best practices in

PPP for adoption in the State so that a large area of socio-economic activities is opened up to attract the private sector.

18. Create Special Economic and Industrial Zones: Needless to say, it may be necessary to design suitable policies for providing low-cost financial support at liberal interest rates, and a host of fiscal incentives. This underlines the need for declaring certain areas of the State as Special Economic and Industrial Zones (SEZs) which should be provided with requisite infrastructure. Specifically, the following may be considered for making the State economically and financially self-dependent.

19. Package of Incentives on the pattern of North-Eastern States: The Union government has been providing a package of incentives for industrial development in hilly and backward regions, including Jammu and Kashmir. Since the economic environment of the State is as depressing as North-Eastern regions, the package of incentives for industry, as extended in the former, should be provided to industrial units in Jammu and Kashmir too. Fiscal incentives would thus enable industrial units to avail of such benefits for a specific period as 100 per cent exemptions from payment of excise duty, income-tax, import duty, etc. Moreover, sick units should also be revived so as to ensure optimum use of capital and other resources already invested in such industrial units.

20. Incentives for Handicrafts Exports: Kashmir handicrafts have traditionally provided strength to the economy of the State and have enjoyed an appreciable share of annual exports, particularly of silk carpets and pashmina/ruffle shawls. The export figure had crossed Rs.1200 crore in the year 2007-08 but it crashed during the period of global melt-down. The Central Government, which regulates export incentives, needs to suitably modify the export policy so as to provide impetus to the production and export of Kashmir crafts.

21. Operationalize the International Airport in Srinagar: In view of the high potential of the tourism sector to augment revenues for supporting the local economy, facilities for attracting tourists from international destinations should be provided.

Srinagar Airport was notified as an International Airport over two years ago. Air India operated a few flights to the Middle East and then stopped them. Kingfisher Airlines had earlier issued an official statement that they were willing to run daily flights from Srinagar to various international destinations but were not allowed to do so.

With improvement in the law and order situation, tourist arrival has increased. Already a beginning has been made by western countries in modifying their advisories against visiting Kashmir. Nearly 7 lakh tourists visited Jammu and Kashmir in the current tourist season so far as against 5.23 lakhs last year. Gearing up the airport for international tourists will also greatly satisfy the annual haj pilgrims. It is, therefore, suggested that the international airport at Srinagar should be operationalized.

22. Expedite Railway Line Project to connect Kashmir Valley and other Road Links: The Project to connect Udhampur (in Jammu) and Qazigund (in Kashmir) is under progress. Completion of this railway line is expected to boost domestic tourism and economic activities as well as strengthen the emotional bonds among the people. The project should therefore be expeditiously completed.

To end the dependence of Kashmir and Ladakh on Jammu for road connections, it will be necessary to: reopen the old Mughal road; make the Leh-Mandi road an all-weather one by building tunnels under the Bara Lacha, Tangland La and the intervening pass; build a road from Baglihar to Kangra via Dalhousie; and schedule air services to Srinagar, Leh and Kargil.

Likewise, as has already been noted earlier, in addition to the present routes, it would be necessary to open other routes, namely Jhangam-Mirpur, Mendhan-Kothli, Jammu-Sialkot, Skardu-Kargil, Turtuk-Khapulu, Chamb-Jorian to Mirpur (across Munawar-Tawi), Gurez-Astoor-Giggil and Titwal-Chilhan (across Neelam Valley) to facilitate movement of men and material with a minimum of bureaucratic hassles across the LOC.

23. Promote Horticulture and Food/ fruit processing industries: In view of the high growth prospects of this sector, there is a need for higher production and productivity of certain products like high value fruits, saffron, spices and other cash crops. This would require the use of new farm technologies, including agricultural inputs such as high yielding seeds, fertilizers, pesticides, etc. The best practices of States like Punjab and Himachal Pradesh could be adopted.

Value addition by processing lower grade fruits locally and improving profitability by adopting new marketing techniques are also the need of the hour.

While the State Government is already implementing a number of Plan Schemes, Centrally Sponsored Schemes, RKVY, Technology Mission, a pro-active role of the Ministry of Food Processing, Ministry of Agriculture, National Horticulture Development Board (NHDB) and APEDA would provide a boost to this industry. These organizations should be asked to open their sub-offices at Srinagar to facilitate the process of planning and execution of schemes for development of the horticulture industry.

24. The ecology of Jammu and Kashmir must be protected at all costs. The backbone of tourism is the beauty of the three regions of the State: its lofty mountains, lakes, rivers and forests. The State has abundant water resources for generation of hydel power and irrigation in the State. Dal Lake is the first concern of every one, as it is suffering from pollution and illegal encroachments. The water of Dal Lake, which in the past was known for its healing properties, is heavily polluted. But lakes in other regions of the State have suffered due to official apathy and indifference. The enormous tourism potential of Jammu in particular needs to be urgently tapped. The forests of the State are the main suppliers of timber and firewood. If exploited in a proper manner, the forest wealth can give a fillip to the economy.

25. Exploitation of minerals resources/ local skills:

The Centre's investment in the State through the CPSUs is negligible. Only two small units (HMT Watch Factory and Indian Telephone Industry's Telephone Assembly Unit) had been established long ago and both of them had decided to close down. The HMT Watch factory is running with a much depleted capacity on the basis of a stay order issued by the Court on petition filed by the employees. Kashmir Valley has appreciable deposits of lignite. Coal deposits are located at Kalakote in Jammu Division. These deposits of natural resources cannot be exploited without the active support of the Central agencies as the State has a limited financial capacity and inadequate technical knowhow.

The other appreciable reserves of minerals are limestone, gypsum and granite. Kashmir is also well known for its human skills because of its handicrafts background. This human skill, presently well supported by modern and technical education, can be utilized in the fields of IT, electronics and precision engineering industry for which active support from the Centre is needed.

26. Power and Water Resources:

The Rangarajan Committee has recommended the transfer of Dul Hasti Hydel Project from NHPC to the State Government. This major recommendation has been turned down by NHPC.

Another grouse is that New Delhi has not shown the requisite resolve to tap the hydro-electricity potential in the State. If these issues are addressed, the argument runs, Jammu and Kashmir's economic dependence on the Centre would decrease and, in due course, cease altogether. The Central Government should not only compensate the State by meeting equity capital needs of all its hydel projects, to be taken up in the State sector over and above the State's plan outlays, but also to enhance the State's share of power from the NHPC-run hydel projects from existing 12% to, say, 30% and gradually raise it to 100 per cent in the next five years, as a special case. Thus, the power generation under the Central sector should be transferred to the State. Besides, the State should be extended adequate funds to exploit water resources. This alone can make the economy self-reliant.

In the meantime, however, our Group calls for the speedy implementation of the recommendations of the Prime Minister's Working Group on economic development of Jammu and Kashmir related to power and water.

Of the total estimated hydro power potential of the State, less than 15 per cent has been explored so far. A major share of hydro potential is exploited under the Central Sector, of which 20 per cent is shared with the State as royalty. Generation of power, within the installed capacity under the State sector, has suffered due to such factors as the Indus Waters Treaty between India and Pakistan. This leaves very little water for the State, particularly during the winter.

The high costs of generation of power and the paucity of State resources pose a formidable challenge to augment the capacity for the generation and distribution of power.

While the increase in power supply has not matched the growing demand, the losses on account of transmission and distribution of power has risen to the extent of 61 per cent of the total power generation. Due to such financial losses, the capacity of the State to generate additional sources through efficient technological and administrative management of power projects is seemingly limited. It is alleged that inadequate realization of user charges is due mainly to such factors as power thefts, low tariffs and inefficiency in collection of revenues from the users.

The Expert Groups on economic development of the State have duly emphasized the need for investment in power projects. The progress made, however, seems to be tardy for different reasons, including lack of a strong political will to act on the accepted recommendations of the Experts. In view of the critical role of energy and power for accelerating economic progress and improving quality of life of people, it is suggested that:

- (i) A concerted effort should be made to implement the recommendations of Dr. C. Rangarajan Committee to ensure the availability of adequate power for the State;

(ii) Since availability of power is critical to the task of strengthening infrastructure for expediting economic progress, the present arrangement of harnessing power under the Central Sector should be reviewed in favour of Jammu and Kashmir. In effect, generation of power under the Central Sector should be transferred to the State for its exclusive use. The legal or administrative hurdles, if any, should be removed in the interest of mainstreaming the people of Jammu and Kashmir in the national development process. This would, to an extent, eventually compensate the State of its deprivation of water due to the Indus Waters Treaty;

(iii) The Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), a CSS, should be effectively implemented to supply electricity to all the villages at the earliest;

(iv) Power thefts should be checked. All the users of facilities ought to pay and contribute to recovery of costs failing which power projects cannot be made financially viable for public or private sectors. All aspects of management of transmission and distribution of power should be made transparent and accountable; and

(v) Alternative sources of energy and power such as solar energy which has huge potential in the State should be harnessed.

27. Vacation of public/ private properties by the Security Forces/ Armed Forces: A large number of industrial units, located within and outside the industrial estates, as well as other public properties like educational institutions, hospitals, stadia, which were previously utilized to extend socio economic benefits to the people were taken over by the Security Forces and Armed forces after the eruption of militancy and continue to be occupied as such. Moreover, in a number of residential areas, the Forces continue to occupy prime land, which is required to accommodate expanding urban population, including for providing urban infrastructure. The presence of Forces in residential areas is indeed a major irritant among the local communities. It is urgent therefore to get early vacation of such properties by the Security Forces and Armed

forces to enable the people to enjoy freedom of movement in business and residential areas and to utilize the buildings for carrying out various socioeconomic activities.

28. Constitution of an Expert Committee of Senior Officials on State Finances: The financial health of the State is not sound enough to protect and promote political and economic freedoms of the State. A major share of State resources is devoted to non-plan non-development expenditure. The outlays for development of infrastructure, entrepreneurial abilities of the working population, electricity and power generation, transport and communication, incentives for promotion of traditional skills, etc., are much less than required for accelerating the pace of economic progress and promoting the well-being of the people.

While ways and measures should be explored for minimizing non-productive expenditure – namely salaries and pensions – revenues from internal sources could be mobilized by levying progressive rates of user charges on such items as consumption of electricity and power, of which the rich are the major beneficiary.

Likewise, the high worth properties owned by the rich should also be taxed. And, revenues thus raised should be ploughed back for investment and poverty reduction.

The Expert Committee may review the State's finances and indicate the direction for reform towards increasing economic and financial autonomy of the State.

29. Implementation of Job Plan of Rangarajan Committee: Violence in Jammu and Kashmir has resulted in the disruption of normal functioning of democratic as well as economic and educational institutions. The youth of Jammu and Kashmir is neither able to secure jobs in the turmoil-torn economy nor are they able to move to job markets in the rest of the country, which is highly competitive. Empowerment is the key to success. The frustration of youth on account of unemployment, lack of mobility and alleged human rights violations has led them to express their anger through processions and demonstrations, including

stone-pelting. Relevant programmes for engaging the youth should be designed and implemented so that every young person becomes a stake holder in the process of development.

In this backdrop, an Expert Group under the Chairmanship of Dr C. Rangarajan was constituted to prepare the Job Plan for Jammu and Kashmir youth. More than eight months have elapsed in implementing the recommendations, which covered such aspects as i) Special Industry Initiative , ii) Skill, Employment and Empowerment Scheme for Jammu and Kashmir and iii) Special Scholarship Scheme.

How many young people have benefited from the scheme is hard to say. It is, therefore, suggested that information on the issue should be made public.

4.5. Social Component: Empowerment through Human Development

30. Development of human resources through education, training and health care is both a means for enhancing the quality of life and an end in itself. In the last twenty years of turmoil, the functioning of democratic institutions as well as other bodies responsible for providing services like education and health care have been jeopardized. It is not surprising, therefore, that the quality and quantity of services rendered by such institutions have been much below the levels obtaining in most other States of India which are relatively more peaceful than Jammu and Kashmir.

Now that the security scenario has gradually improved due to perceptible decline in insurgency and militancy, it is urgent to initiate such policy measures as are critical for providing competent manpower for raising productivity of resources. In this context, the education and health sectors require to be strengthened.

B. Education Sector Reform

Given the lack of teachers' training, deficiency in educational infrastructure, and lack of utilization of ICT-enabled services for teaching and learning, there is considerable mis-match between education and jobs. This is evident from simultaneous existence of unemployment among educated youth and shortages of technically and professionally qualified manpower for business and industry. Inefficient functioning of State enterprises and low off-take of funds from financial institutions, as would be obvious from credit-deposit ratio of 47 per cent for the State, also indicates deficiencies in entrepreneurial capacity and the need for skill development among the working population.

We, therefore, suggest that the State should constitute an Education Commission which should be mandated to evolve a comprehensive policy on development of education, culture, games and sports that should meet the personal and professional aspirations of the people and make them an integral part of the global economy which is increasingly knowledge-intensive.

In the meantime, the following remedial measures should be initiated on urgent basis:

- The vocational and technical training related activities suggested by Dr. C. Rangarajan Committee for skill development and entrepreneurial training should be undertaken on priority basis in order to engage the youth in production and development works. Also, the institutions of vocational education and training (ITIs) should be strengthened to match the levels obtaining in the leading institutions of the country.
- Universities and Colleges of the State should cooperate and coordinate educational activities and organize inter-university cultural, sports and games so as to promote competitive spirit, professional excellence, mutual trust and understanding among students of different ethnic groups and regions.
- The youth of Jammu and Kashmir should be provided reservation of seats in technical and professional higher institutions, on the same basis as extended to similarly affected communities in the rest of the country. In fact, the people of the border regions do have clear disadvantages which ought to be compensated through the policy on reservation in jobs and educational institutions. Collaborations at institutional levels can help resolve the problems of education and training in the short-run.
- Most unemployed youth belong to educationally and economically backward areas and communities. As per the national policy to mainstream these groups, financial support on merit-cum-means basis, including educational loans on liberal terms, should be provided to enable the students to avail of educational facilities in the institutions of their choice. All the relevant schemes for providing financial assistance to needy students should be reviewed and structured to make them focused to cater to the immediate needs of youth, including the stone pelters.
- Students have complained that they are not easily able to access rented accommodation outside the State. They are allegedly discriminated against. As a result, they are unable to either pursue their studies in institutions outside the State or secure and retain jobs in the private sector. In our assessment of the social and

cultural environment, particularly in the backdrop of terror attacks in different parts of the country from time to time, such allegations are not entirely unjustified. We, therefore, suggest that the State should establish Jammu and Kashmir Houses/ Hostels in different metropolitan cities, which offer huge opportunities for learning and earning. Such a step would go a long way in removing the feeling of discrimination and alienation among youth, which, in turn, would pave the way for a sustainable peace process and national integration.

C. Health Care Facilities

More than seventy per cent of Jammu and Kashmir population lives in rural and far flung areas, which are not easily accessible by road due to the topography of the State. The problems and issues pertaining to a high infant mortality, lack of facilities for women and child development, etc., have been duly identified by the functionaries of the health sector. Moreover, due to militancy and alleged human rights violations, people also suffer from mental disorders and other disabilities. In this backdrop, it is suggested that the National Rural Health Mission should be implemented in letter and spirit to put in place health infrastructure so as to cater to the basic needs for healthcare of the rural communities. Likewise, urgent attention ought to be paid to the issues pertaining to mental and physical health of people affected by the militancy.

D. Ensuring Effective Local Governance for Delivery of Services: Role of Panchayats and Civil Society

The overwhelming people's response for establishment of Panchayati Raj Institutions (PRIs) and the significance of an effective local self-governance should therefore be viewed from development perspectives.

First, the regions and sub-regions of the Jammu and Kashmir State widely differ in geo-climatic conditions, natural resources and ethnicity of residents. These variations have significant bearing on their politico-economic and cultural aspirations. For instance, the districts of Leh, Kargil, Kathua, Baramulla or Doda are totally different from each other as well as from the other Districts of the State. Therefore, the socio-

economic needs and people's expectations from the service providers also differ.

Second, there are wide variations across the regions and districts in terms of levels of income, poverty, literacy and other parameters of quality of life. The border and hilly areas and those that are afflicted by militancy, are the worst sufferers in terms of the provisions of basic services like supply of food grains, water, electricity and provisions for shelter, schools and health care facilities.

With a view to ensuring effective exploitation and efficient utilization of resources, the local self-governance mechanisms offer ample opportunities for the people to plan and execute schemes in accordance with the requirements of the local community, who own the responsibility of charting the path for building the future of the regions they live in. The mandate for local self-governance, with massive support of all the stakeholders, is to be tried for the first time in Jammu and Kashmir. There is no reason why it would not succeed.

The State government has already transferred the powers for carrying out the socio-economic activities by the Panchayats. It is hoped that financial powers, commensurate with the requirements of the task of carrying out the responsibilities of the Panchayats, would also be devolved as per the law. It must be pointed out that a mismatch between the socio-economic functions of the Panchayats and devolution of financial powers would prove to be counter-productive. If the people's expectations from the local self-governance system are belied due to inefficient functioning or inadequate financial power and autonomy, the resulting economic frustration of an already alienated society and regions would derail the peace process underway. It is for this reason that most of the central schemes which make a direct assault on poverty must be managed by local bodies which receive direct central funding.

Therefore, this calls for capacity building and infrastructure support facilities to local bodies so as to enable them to carry the huge burden of people's expectations to effectively deliver services, comparable to the

levels enjoyed by the residents of other States, which implemented PRIs fifty years ago.

All the elected representatives of Panchayats should therefore be provided sufficient exposure and training to enhance their technical and professional capacities to enable them to carry out the mandatory objectives.

It is, however, certain that the Panchayats in the Jammu and Kashmir would effectively implement all the Central flagship schemes if the funds allocated to them are routed through Panchayats. The allocation of funds for the Central schemes is not only flexible to provide for enough cushioning of financial requirements but also earmarked in terms of specific activities and physical targets. There is, therefore, little scope for manipulation or diversion of funds for any other purpose not clearly defined in the planned schemes. The effective implementation of such schemes as rural employment, housing, drinking water and sanitation, management of schools and health centres, rural roads, etc. offer a huge opportunity for alleviation of all forms of poverty and deprivation in the State as well as for attracting private investments and development of infrastructure. All this in effect would expedite economic progress.

Civil society can play a major role in this regard. **First**, transparency and accountability in the functioning of Panchayats have to be assured, for which it may be necessary to put pressure on the functionaries through the use of the Right to Information. **Second**, the audit of accounts of Panchayats do not come under the purview of Comptroller and Auditor General (CAG) of India. There can, therefore, be leakages in utilization of funds allocated to them, in which case the expected benefits of project funds would not percolate down to the target groups. Civil society can therefore act as a watch-dog and ensure that the intended benefits reach the common citizen.

E. Women

The main point made by the women from Jammu, Kashmir and Ladakh was to urge the Central and State governments to take immediate measures to guarantee the physical, psychological, social, economic and

cultural security of women in the State, especially in Kashmir which has borne the brunt of violence over the past two decades.

In particular, they recommended:

- A special task force, comprised of eminent women from all the three regions, should be set up to address the problems of women victims of violence, such as widows, “half-widows” and orphans, including relief for the parents of the disappeared.
- An urgent requirement is for trauma counseling centres. These should be speedily set up, especially in rural areas.
- Many of the women present underlined the need for redeployment of troops out of residential areas and the removal of security installations in residential areas.
- Our attention was also drawn to the continuing arrest of youth and the indiscriminate use of PSA against them. Though most of them are speedily released they have FIRs against them. The Legislative Assembly could consider whether amendments to restrict the use of the PSA are required.
- There was a focused discussion of the problems of migrant women, especially Kashmiri Pandits. A valuable suggestion was that women can provide a bridge for Kashmiri Pandits to reconcile with their co-citizens in the Valley, and we would recommend funding for such an initiative to be taken by a respected NGO, preferably based in Jammu and Kashmir.

A concerted effort to design and implement the relevant policies and programmes would transform the State’s economy from its high financial dependency on Central agencies to a self reliant and economically prosperous one.

CHAPTER 5: ROADMAP

5.1. Credibility of the Dialogue Process

1. Everywhere the group went, irrespective of different aspirations, one question was asked by all: “What reason do we have to believe that your mission will be result-oriented? What happened with the Prime Minister’s Working Groups?” While it is not true that the Working Groups’ recommendations simply gathered dust, they have been at best partially implemented, at a very slow pace. Moreover, these small steps at implementation have not been tied to a peace process, either to lay conducive conditions for political dialogue or to give the ongoing dialogue a momentum. Any next steps to come should, therefore, be projected as dialogue inputs and/or outcomes, so as to give the process credibility.

2. We have noted further that the credibility gap does not apply only to Centre-State relations; it also applies to State-region and State-district relations, as well as to political representative-people relations. As we were told repeatedly, the trust deficit between the State’s people and their political representatives is as great if not greater than the trust deficit with New Delhi (the equation is rather different in Pakistan-administered Jammu and Kashmir, where fears of crossing the red lines drawn by the military dominate). This deficit, as stated in the Introduction, is partly due to the ambiguity over Jammu and Kashmir’s political status, and partly due to the exigencies of running an administration during a period of conflict.

3. As far as Jammu and Kashmir is concerned, therefore, there are two credibility gaps to be filled: Centre-State and State-people. This indicates that issues that are apparently unrelated do interlock structurally – for example, much has been said in the State about political and governance issues being distinct from each other, as indeed they are. But it is also a fact that neither can be tackled in isolation from the other. Even if the question of Jammu and

Kashmir's status is resolved at the political level, no resolution will be felt on the ground without improvement in governance. Conversely, improvements in governance are stymied by the lack of political resolution because morale within the services is and will remain low as long as there is ambiguity on the State's relation to the Union. Moreover, as pointed out in the Chapter on Economic and Social Components of the New Compact, the perfunctory implementation of Central development and rehabilitation schemes has also contributed to the credibility gap, with many in Jammu, the Valley and Ladakh believing that the Central Government throws money at the State without asking for any accountability. As stated in the *New Compact*, part of the problem is that Jammu and Kashmir's economy is heavily State-controlled.

4. While political status and governance do, thus, need to be treated as two distinct issues, they also need to be tackled in tandem. If political status is key to a resolution, governance is key to its implementation. Without synergy between governance and political dialogue, both credibility gaps will remain, for the Union and for the State's political representatives.
5. Three steps—fast-tracking the implementation of the recommendations of this Report and of the Prime Minister's Working Groups, especially on human rights and cross-LOC CBMs, synergizing tracks of governance and political dialogue, and freeing the economy from State control – will go a long way towards giving credibility to the dialogue process and repairing the manifold trust deficits that exist within and in relation to Jammu and Kashmir.
6. Lastly, some part of the credibility gap is inadvertent, resulting from the combination of poor communication strategies, a media that is ignorant and/or dismissive of the very real hurdles that obstruct peace processes, and a political climate that seeks to damage rather than construct. The wear and tear engendered by this combination of negativities should not be underestimated. A new communications strategy needs to be developed, in which peace process reporting is at the core.

5.2. Carrying Forward the Recommendations of this Report

7. From our eleven months of consultations, three key areas in which action can be taken have emerged: of political, cultural and economic freedoms. As the preceding chapters indicate, each has its own specificities. Political freedoms include Special Status, internal devolution and human rights; cultural freedoms include the protection of diversity, preservation of identities and intra-Kashmiri reconciliation; and economic freedoms include self-generation of resources and freeing the economy from State control.
8. The core of our report, thus, comprises recommendations that will, if agreed and implemented, advance these freedoms. Agreement and implementation of each, however, requires different levels of action and combinations of actors, and can be broadly divided into CBMs and resolution issues. CBMs can be put in place by the governments concerned, preferably in consultation with key stakeholders and opposition groups, and can occur either together or sequentially. Resolution measures have to be agreed by all the major stakeholders, and should be implemented in tandem.
9. This is not an easy task. On the face of it, the volatility of the situation, and the freshness of wounds in the Valley, suggest that the best course would be to implement CBMs first, and then proceed to the political dialogue on resolution. There is little doubt that the reforms that have been initiated for protection of human rights and rule of law need to be strengthened and deepened, as the APHCs and associated groups reiterate. New CBMs, especially for improving cross-LOC travel and trade, will also create conducive conditions for stakeholders to converge.

“Your interlocution on absolute solution of Kashmir issue is toughest ever and challenging, I feel u have yet to understand the pains we feel, and the wounds which are chronic, meet common man and listen to him, then please think deeply over that in your leisure time. Solution is hectic but not impossible. Facebook message

10. However, the tragic violence of summer 2010, and the Group's consultations from 2010-11, made it evident that there is both yearning and impatience for a resolution across Jammu and Kashmir. Putting the political dialogue on hold until CBMs are implemented could add to the alienation that is felt differently in different parts of the State.
11. There is a serious timing problem here. As noted in the Introduction, the pull of CBMs is up against the push for resolution, and, as a consequence, issues that belong in the resolution basket are surfacing in an ad hoc manner as stand-alone issues. This development makes it difficult for the peace process to gain the momentum that steady and incremental progress would give it. One way to ensure steady progress is for CBMs and political dialogue to proceed in parallel, so that discussion takes place on the whole basket of resolution issues as interlocking elements of a settlement, in an atmosphere of growing trust. While this will require a careful tagging of CBMs and political dialogue, it is eminently doable.

5.3. Confidence-Building Measures (CBMs)

12. In the eleven months of the Group's mission, we have recommended CBMs in each of our monthly reports. Some of these have been district and/or community-specific, but others have been generic ones that would pave the way for a lasting solution. A full list of the Group's recommendations is given at *Annexure 'D'*. In this Roadmap, the focus is on those CBMs that will carry forward the peace process in the short, medium and long-term and facilitate implementation of the detailed recommendations on the political, economic, cultural, and social freedoms elaborated in the preceding Chapters of this Report.
13. Judging from the situation on the ground, the requests that the Group have received from all over the State, and the lessons learned from previous peace initiatives, the following CBMs will help pave the way towards a resolution:

(a) Human Rights and the Rule of Law

The most often-requested CBMs were on the issues of human rights and the rule of law. They include: the release of all remaining "stone-pelters" and political prisoners against whom there are no serious charges, withdrawal of FIRs against those of them that are first-timers or minor offenders, amnesty for militants who renounce violence and their rehabilitation, including a consistent and adequate policy for surrendered militants and phasing out the Special Operations Group, the rehabilitation of all victims of violence, the reduction of the intrusive presence of security forces, a constant review of the implementation of various Acts meant to counter militancy, the return of migrants to their homes to lead a life of security, honour and dignity (including compensation and/or rehabilitation in lieu of return for communities such as Sikhs, and for those Kashmiri Pandits who were displaced within the Valley), adequate compensation for migrants from Pakistan-administered Kashmir, the grant of State subject status to refugees from West Pakistan,

and last but not least, freedom of lawful assembly and passport rights for all, including relatives of militants.

Many of these CBMs have been suggested by the APHCs (M) and (G), as well as by other dissident and civil society groups. Their further implementation will, therefore, establish conducive conditions for the dissident groups to open a dialogue.

Finally, we have noted that many of the human rights and rule of law CBMs listed above are also felt needs in Pakistan-administered Jammu and Kashmir, especially in Gilgit-Baltistan. Their application in these regions should, therefore, be discussed with the representatives concerned at the earliest opportunity.

(b) Amendment of the PSA⁴

The wide use of the PSA by the State government was criticized by most of the delegations that we met. While its use has been considerably reduced now, the Act's sweeping powers make it open to misuse, and should be amended accordingly.

The main problems with the PSA are under Chapter IV (Power to make orders detaining certain persons), Section 8 (Detention of certain persons). This section provides a vast number of reasons for detention, ranging from "promoting, propagating, or attempting to create, feelings of enmity or hatred or disharmony on grounds of religion, race, caste, community, or region" to incitement, instigation, abetment and actual commission of such acts, and leaves it to District Collectors or District Magistrates to decide, giving a twelve-day period within which the Government has to approve the detention. The period for approval should be no more than four days.

Secondly, the PSA does not distinguish between offences when it comes to the detention period. It allows detention for up to

⁴The DA and AFSPA are discussed in the section on *Security Arrangements*.

one year for disturbance of public order, and two years for actions “prejudicial to the security of the State”. Given the fact that disturbance of public order can range from minor to major acts, the detention period should range from one week for minor offences to one month for major offences, but no longer. Assuming that actions “prejudicial to the security of the State” constitute far graver offences, three months’ detention should be ample for proceeding to trial. Juveniles should not be held under the PSA at all.

(c) Fast-Track Implementation of the Recommendations of the Prime Minister’s Working Group on CBMs

The Prime Minister’s Working Group on CBMs had recommended three key measures that would pave the way for a lasting resolution. These were:

- Making the return of Kashmiri Pandits a part of State policy;
- Providing better relief and rehabilitation for widows and orphans of violence in the State, including widows and orphans of militants; and
- Facilitating the return of Kashmiris stranded across the LOC, many of whom had crossed over for arms training but now wished to return peacefully.

While some work has been done on the return of Kashmiri Pandits under the Prime Minister’s Reconstruction Plan, the State government is yet to fulfill its part. Most important, a policy needs to be developed for the reintegration of returning Pandits into the community through programmes sponsored by local and community leaders. One important CBM could be for the State government to repair some of the Pandit village clusters that remain, for example in Pulwama, as model heritage villages.

Though the State Government's Ministry for Social Welfare is anxious to work on better relief and rehabilitation for victims of violence, widows and orphans of militants are still relatively neglected. As they cannot be included in pension schemes, since their relatives could hardly be classified as Government dependents, the employment and vocational schemes that are currently being prepared should include them.

As far as the return of Kashmiris stranded across the LOC is concerned, the State government has received over 1,000 applications for return, but it appears that the Government of Pakistan is not cooperating in their identification and processing of papers. This matter needs to be pursued on the India-Pakistan talks' agenda – with the caveat advanced in the Introduction, that this is a resolution/settlement issue rather than a CBM. A forgotten issue, in this context, is that of the Jammu migrants who were displaced from Keran, Titwal and Poonch, and ended up in Pakistan-administered Jammu and Kashmir. They eke out their lives in camps there. Their return should be a priority issue.

(d) Fast-Track Implementation of the Recommendations of the Prime Minister's Working Group on Relations Across the LOC

The Prime Minister's Working Group on Relations Across the LOC had recommended opening new routes, increasing the frequency of bus services, simplifying travel procedures, and encouraging cross-LOC trade on a priority basis. In particular, they suggested:

- Opening six more routes across the LOC;
- Relaxation of restrictions on who could travel to include pilgrims, medical patients and tourists, if necessary, unilaterally by India; and
- Creation of a free trade area on both sides of the LOC.

In addition to these recommendations, there is one other issue that has gained salience in recent times. The resurgence of militant groups and their buildup in the Neelam Valley of Pakistan-administered Jammu and Kashmir, en route to infiltrating across the LOC, has been a cause of concern to local residents there, who recently staged several protest demonstrations asking for their ouster. These voices need to be given due attention, as the curtailing and eventual disbandment of militant groups would be a major CBM for State subjects on both sides of the LOC.

(e) Intra-Kashmiri Dialogue

In order to promote reintegration of the three regions of the State, an intra-Kashmir dialogue is vital, and long overdue. Had there been such a dialogue, at both civil society and institutional levels, the polarization that occurred over and post the Amarnath land row would not have been as virulent as it became and continues to be.

An intra-Kashmiri dialogue will also help mitigate suspicion and build public consensus in favour of the political, economic and cultural freedoms that are recommended in this Report.

5.4. Security Arrangements:

14. The Army had to take on a very difficult situation in Kashmir in the 1990s, and performed under stress with gallantry. They have also transformed themselves over time, engaging in important peace-building activities under the *Sadbhavana* programme. It is partly because of their efforts, and more largely due to Kashmiri society, that militancy is at an all-time low. At the same time, because militancy is at an all-time low, it is necessary to review the security arrangements that were required during the peak period of armed conflict. Building upon the change that has occurred will also create conditions for more desired change to come.
15. The goal is to arrive at a situation in which troops will be deployed only on the borders. A step-by-step process would begin with the Army remaining in barracks and transferring any civilian policing duties to the paramilitary, with their onward transfer to the Jammu and Kashmir police. This step has already been taken in most urban areas but could be consolidated in rural areas.
16. One problem that arose in 2010 was that the Jammu and Kashmir police were not trained or equipped to handle the transfer of duties. Current initiatives at retraining, especially in community policing, as well as the revised Operating Manual, should help bridge the gap, but police-community relations remain volatile, especially in the urban areas, and appear to depend on the individuals in charge of district police, stations. In the rural areas, there is a problem of shortage of police but fresh recruitments should fill the gap. In this context, it should be noted that in the mountainous districts of Jammu, which border the LOC, the felt need was for the Village Defense Committees to be incorporated into the police, and to be made multi-ethnic.
17. Given that the first step towards security reforms has already been taken, with civilian policing duties transferred to the Jammu

and Kashmir police, the next step is to review military deployments to see whether security installations can be rationalized through reducing their spread to a few strategic locations and creating mobile units for rapid response. The desire for redeployment of military and/or security forces and installations from the rural areas of Jammu and Kashmir is a heartfelt desire that unites the regional political parties and dissident groups. (The reference is to installations created as part of counter-insurgency operations, and not to prior cantonments). Again, given the large reduction in militancy-related violence, some thinning and/or strategic concentration of installations is worth considering. It is difficult, for example, to see a present rationale for maintaining three camps, belonging to different regiments, cheek-by-jowl with each other, as is the case in Shopian.

18. One of the obstacles to redeployment is that armed groups have not formally committed to a ceasefire and/or disbandment. Certainly, such a commitment would make security reforms much easier to implement. In this context, the Prime Minister's Working Group on CBMs had suggested that an "unconditional dialogue" with armed groups be initiated. Some steps were taken in this direction during the "Quiet Diplomacy" of 2008-9, when Yusuf Shah (a.k.a. Syed Salahuddin) of the United Jihad Council came close to supporting elections and, allegedly, considered entering the fray himself. Since then, however, the issue has not come up again, and it needs to be put back on the agenda.
19. In the absence of commitments from armed groups to ceasefire, disarm and demobilize, such reforms as are possible still need to be considered. While figures for armed militants present in the State vary according to degrees of infiltration, it is known that the current numbers are around 350, with bases in districts such as Sopore, and infiltration attempts have risen this year. A significant finding, in this regard, is that all the delegations that we met were explicit in their view that troops should be concentrated on the borders and LOC to prevent infiltration, and the focus was on

internal redeployment alone, i.e., a phased withdrawal of troops from residential and/or agricultural areas.

20. This issue has been on the agenda for the Unified Command to decide for several months now, with the emphasis on redeployment from undisturbed areas by removing the DA designation from them. The Prime Minister's Working Group on CBMs had also recommended reviewing the DA and AFSPA, and if possible lifting the former and revoking the latter. As a follow up, the Prime Minister had appointed the Jeevan Reddy Commission to look into AFSPA. The Commission proposed the repeal of AFSPA and the incorporation of some of its provisions into a new national law, to be called the Unlawful Activities (Prevention) Act. The Ministry of Home Affairs has also recommended several amendments to AFSPA, which will bring it into line with the Criminal Procedure Code while allowing for the protections for armed forces that exist in every democratic country. These proposals should be reviewed by the Ministry of Defence, and a decision taken at the earliest.
21. The Group's impression is that AFSPA is more the symbol of a problem than its cause. But symbols are important for peace processes, and thus the Ministry of Defence needs to consider how to respond positively to this issue rather than negatively. The Army's offer of a Court Martial in the Macchil case, which will be completed within six months, is an example of positive response that has, unfortunately, been stayed by the civil court proceedings (which have in turn been stayed by the Army's appeal). If this bureaucratic stalemate is ended, as it can be with the court's permission, a speedy and transparent Court Martial would be an immense CBM.
22. Finally, a slew of military to military CBMs had been agreed between the Governments of India and Pakistan, such as hotlines between the commanders of border security forces. Implementation of these CBMs needs to be reviewed and any remaining gaps filled.

5.5. Reconciliation

23. There are two aspects of the issue of reconciliation, the first regarding communal, sectarian and regional polarization within Jammu and Kashmir, and the second of human rights abuses during the period of armed conflict.
24. As described in the Chapter on Political Contours of the New Compact, regional and local polarization can be dissipated through the political mechanisms of devolution. Moreover, as recommended in the CBMs section of this Roadmap, an intra-Kashmiris dialogue will help bridge the growing gap between Jammu and Kashmir's three regions. But where conflict has led to internal displacement, internecine killings and competing victimhood, reintegration cannot be accomplished without reconciliation.
25. More than two **decades** of conflict have left a large number of gross human rights violations by a variety of groups, including murder, torture and missing persons. The issue has always been potent in Jammu and Kashmir, but has gained salience with the initiation of investigations into unmarked graves, many of which contain bodies of militants killed in counter-insurgency and some of which are alleged to be of missing persons. How is this tragic history to be dealt with?
26. The State Human Rights Commission has recommended DNA testing to identify the bodies that are buried in unmarked graves, and the Chief Minister has promised to implement this recommendation. Identification, however, is not a simple matter that DNA testing will solve. As stated above, a large number of the bodies buried in these graves are those of militants, some of whom crossed over from Jammu and Kashmir and others who were natives of Pakistan-administered Jammu and Kashmir and even of Pakistan proper. Given the extremely complicated relationship between the Pakistani authorities and the armed groups that have sanctuary there, it will not be easy for the Government of Pakistan

to cooperate by providing the DNA of the families of missing persons/militants from across the LOC. Nevertheless, the issue needs to be put on the India-Pakistan talks' agenda. The need for closure is a universal human need and the families of the disappeared on the other side of the LOC are as deserving of humane consideration as on this side.

27. In the interim, the Group recommends that a Judicial Commission be set up to establish and supervise the best procedures for identification of the bodies buried in the unmarked graves. The first step for the Judicial Commission would be to set aside those unmarked graves that are identified by their families as having died of natural causes (marking of graves is not a universal practice in Kashmir). The next step would be to see whether any of the bodies match the DNA of disappeared persons, as reported by their families. The final step, which would be to try to identify all the bodies buried in the unmarked graves, depends on cooperation from Pakistan. The exercise will be a massive and time-consuming one, and all concerned should be prepared to face the fact that they might not, in the end, have the full closure that they need.
28. In this context Chief Minister Omar Abdullah has proposed a Truth and Reconciliation Commission (TRC). Even if justice cannot be provided for all victims of violence, if some of those guilty of human rights abuses, including militants, were to ask forgiveness from the families of their victims, it would provide closure for many. The spirit of truth and reconciliation has a powerful resonance in Jammu and Kashmir, and should by extension have the same resonance in India. However, such a mechanism has never been tried in India, and it remains to be seen whether it would be acceptable. Little has as yet been done, too, to see whether armed groups and surrendered militants would agree to participate in a TRC, though such a mechanism could actually speed up their reintegration. Finally, a TRC would also have a large impact in Pakistan, altering the "Kashmir narrative" in fundamental ways.

29. On the other hand, justice is also a powerful need, especially in relation to rule of law reforms. The judicial institutions of the State have suffered the most severe casualties, with judges acting under intimidation and Bar Associations polarized even over so basic a right as the right to legal defense. Judicial reforms are clearly an important requirement, to be discussed by the people and authorities of the State.

5.6. Building Consensus on a Solution

30. Many of the conditions for progress towards a resolution are already in place. There is a decisive turn away from violence in Jammu and Kashmir, though the gun has not disappeared entirely. The public dialogue between the Government of India and the people of Jammu and Kashmir that was initiated by the Group has shown the potential to act as the anchor for a peace process. Pakistan is being engaged. It is not unreasonable to expect that the APHC (M) and associated groups may soon move towards talks.

31. These factors by themselves suggest that this is a ripe moment for moving towards a political resolution. There are also other, less rosy, reasons for such a push. The foremost of these is that we have been implementing what should be the elements of a settlement as ad hoc CBMs. The peace dividend has already become a means of prolonging the status quo, with less and less accountability. As more routes open, the “invisible LOC” suggested by Prime Minister Singh as the core element of a settlement, will come into being without a settlement.

32. As against these factors in favour of a resolution, there are formidable obstacles. The role of Pakistan to help or hinder is indubitable. Pakistani authorities have in the past engaged in help and hindrance simultaneously, a practice that has led to considerable cynicism, even anger, regarding India-Pakistan talks in this country. Given the present crises in Pakistan, it would be naïve not to expect the hindrance to continue, and the help to be muted.

“So much for the problem, how about a solution. I think for a true and a lasting solution to emerge both India and Pakistan have to move significantly away from their long held stances and people-targeted rhetoric. Kashmiris are the major stakeholders in this conflict and they cannot be ignored... All disputes have a solution and there is just one way: 'Dialogue based on honest intentions'. And hope this is the time...”Facebook message

33. This is not an argument against engagement with Pakistan on Jammu and Kashmir. The 1994 Parliament resolution implies that a solution needs to be found for the whole of the former princely State, and engaging Pakistan is the only way to move towards such a solution. It should, moreover, be recognized that the engagement of the past eleven years has yielded results, albeit small, that would not have been achieved without engagement. The sharp decline in militancy in the State is one outcome that can be partially credited to the India-Pakistan talks of 2004-7. Though progress on the Mumbai prosecutions in Pakistan has been excruciatingly slow, the prosecutions would not even have begun had it not been for talks.
34. Talks with Pakistan resumed in March-April 2011. Two rounds of dialogue have taken place at the Foreign Secretary level, and one round at the Foreign Ministers' level. The trickle-through outcome of these talks indicates that the Government of Pakistan is inching closer to the Government of India in relation to a Jammu and Kashmir peace process. Indeed, it would seem that the Pakistani government now wishes to move forward to the next level from where the talks left off in 2007, with both Parliamentarians and MLAs from the different parts of the formerly princely State engaging in talks for a resolution of the problem.
35. It would be ideal if the two tracks of an India-Pakistan and Jammu and Kashmir resolution went in tandem, but failing that, the more progress there is in dialogue towards a resolution in Jammu and Kashmir, the more it will push Pakistan to engage more productively.
36. These and other ideas need to be debated by political, governmental and civil society groups on both sides of the LOC if a sustainable solution is to be found, as well as by their Indian and Pakistani equivalents. The Government of India-APHC (M) dialogue that was discussed in the Introduction is yet to resume. The Track II Inter-Kashmiri dialogue petered out in 2008, and

needs to be revived on both sides of the LOC. A key step, therefore, is for Track II groups to be encouraged by the Governments of India and Pakistan to hold dialogues on frameworks for a solution between their civil societies and with the wider Indian and Pakistani public.

37. Finally, it should be noted that while consultations on a solution have been ongoing between the Government of India and representatives of Jammu and Kashmir for several years now – beginning with the APHC (M) talks and the Prime Minister’s Working Groups, and moving on to the wide public consultations held by this Group – similar consultations between the Government of Pakistan and the people of Pakistan-administered Jammu and Kashmir (including Gilgit-Baltistan) have not taken place. Such consultations on the other side of the LOC would be very helpful.

Recommendations

38. In order to take the political dialogue forward, build consensus on a solution and anchor the dialogue process in key CBMs, the Group recommends:

- (1) A Constitutional Committees should be set up to examine how the recommendations of this Report on political components of the *New Compact* can be incorporated into the Constitutions of India and Jammu and Kashmir. The Committee could complete its work in six months, and present its findings to the Indian Parliament and the State Legislature.
- (2) At the same time, consultations between stakeholders on the recommendations of this Report should not be held up till such time as the Committee completes its work, but should begin immediately.
- (3) The New Delhi-APHC (M) dialogue should be resumed at the earliest opportunity. This dialogue should be made uninterrupted and uninterruptible; neither side should break off talks without consulting the other side. Both sides should be able to present visible outcomes from the dialogue.
- (4) The Government of Pakistan and Pakistan-administered Jammu and Kashmir should be encouraged to enter into dialogue on the recommendations of this Report as fine-tuned by the legislators and points emerging from the Government of India-APHC(M) dialogue.
- (5) India and Pakistan should agree to encourage all civil society and Track II interactions for the Jammu and Kashmir peace process.

- (6) In order to anchor these tracks of dialogue, there should be fast-track implementation of the CBMs outlined in this Roadmap as well as those listed in the Chapter on the Economic, Social and Cultural Components of the New Compact. An empowered group can be set up to monitor implementation of CBMs and recommendations of this Report as well as prior reports on Jammu and Kashmir.
- (7) Security arrangements, especially in relation to the DA designation, need to be reviewed and a decision taken on AFSPA. The PSA should be amended.
- (8) A Judicial Commission should be established to look into the unmarked graves.
- (9) Finally, this Group recommends that agreement on a political settlement should not be made contingent on whether Pakistan is willing to enter into it. If the people of the State are willing, then the door can always be kept open for Pakistan to join.

CHAPTER 6: HARMONIZING RELATIONS ACROSS THE LINE OF CONTROL

1. The demand to strengthen relations between the two sides of the LOC is voiced in every part of the State. Such a move, it is argued, would have immense benefits for the people. It would boost two-way trade, create employment opportunities, promote understanding between people belonging to different ethnic, linguistic and religious groups, foster cooperation between the two sides on a host of issues of common concern and interests and, not least, bring divided families together and thus reduce and eventually end the psychological trauma they have experienced for over six decades.

“If some sort of...linkages between Jammu and Kashmir-AJK/GB at one hand and India and Pakistan on the acceptable to them (people of AJK/GB) as a step towards a final settlement... So, Jammu and Kashmir’s external dimension should not be missed at all cost.” Input from AJK

2. There are three aspects to the harmonization of relations across the LOC: ensuring that the same quantum of political, economic and cultural freedoms obtains in all parts of the former princely State; expansion of trade and travel; and resolution of the water issue. The first is essential for a lasting and comprehensive resolution, the second can begin as a CBM and become an element in resolution; and the third is also an element in resolution (discounting the power and energy issues that are discussed in the Chapter on *Economic and Social Components of the New Compact*).

A. Ensuring the Same Quantum of Freedoms Across the LOC

3. As far as political, economic and cultural freedoms are concerned, the situation across the LOC is rather different from that in Jammu and Kashmir. The relationship between Pakistan-administered Jammu and Kashmir (PAJK) and Pakistan is determined by the Karachi Agreement of 1949,⁵ which divided PAJK into two parts, one ironically named “Azad

⁵The legal validity of the Karachi Agreement is doubtful given that it was signed by an unelected party.

Jammu and Kashmir” (AJK) and the other the Northern Areas. The Northern Areas were ceded to direct rule by Pakistan, and the powers of the AJK administration were severely restricted. Pakistan would conduct defence, foreign affairs, refugee affairs, “publicity” and negotiations with the UN. The AJK administration would merely prepare policy for the administration of AJK territory and would supervise the development of its economic resources (excluding its water resources). Subsequently, Pakistan allowed China to construct the Karakoram Highway in parts of the Northern Areas, in effect disregarding its status under the UN resolutions and the Shimla Agreement.

4. The few powers that the AJK administration retained were further restricted under the AJK Interim Constitution of 1974, which expanded the areas under Pakistan’s direct control to include trade, investment, taxes, education, and the civil and judicial systems, and laid down that:

- All election candidates would have to take an oath of allegiance to Jammu and Kashmir's accession to Pakistan.
- All AJK government employees would have to take a similar oath.
- No person or political party in AJK would be permitted to propagate against, or take part in activities prejudicial to, the ideology of Pakistan.

5. The 1974 Interim Constitution also created an AJK Council, to be chaired by the Prime Minister of Pakistan (under military rule it was chaired by the President of Pakistan). The Council comprises five members from amongst Pakistani Ministers and/or MPs; and six members from AJK, who are elected by the Legislative Assembly. The Council supersedes the Legislative Assembly; any Bills/Acts passed by it do not require ratification by the AJK Legislative Assembly, or the assent of the AJK President. Thus, under the Interim Constitution of 1974, the Government of Pakistan effectively wields all executive powers in AJK through the Kashmir Council and the Ministry of Kashmir Affairs and Northern Areas.

6. Until a year ago, the situation was even more restrictive in the Northern Areas, which were ruled directly by the Ministry of Kashmir Affairs. Here, dissident and separatist groups, such as the Balawaristan National Front, were regularly imprisoned. In his submission to the UN Human Rights Council (15th Session) on September 23, 2010, the Chairman of the Front alleged that seven political prisoners had been sentenced to execution and another five to life imprisonment.
7. The de facto separation of the Northern Areas from AJK began to be challenged in the 1990s. In 1993, the AJK High Court laid down that the Northern Areas were part of AJK, historically and constitutionally, but in 1994 the AJK Supreme Court overturned this decision, stating that the Northern Areas were part of the State of Jammu and Kashmir but not of AJK. In 1999, the Supreme Court of Pakistan affirmed this decision, adding, “the people of the Northern Areas are citizens of Pakistan for all intent and purposes”.
8. Between 2004-06, when there was a flourishing Track II dialogue between the various parts of the former princely State, representatives of AJK and the Northern Areas hoped that the process would allow them to gain some political and economic concessions from the Government of Pakistan. AJK wanted its Assembly and administration to be more than a rubber stamp for Pakistan’s Ministry of Kashmir Affairs; the Northern Areas wanted a name change, an elected Assembly, and – like Leh and parts of Jammu – parts of the Northern Areas, especially Gilgit, wanted direct integration with Pakistan through the grant of provincial status.
9. The civilian Government of Pakistan that came to power in 2008 gave the Northern Areas a political and economic package in 2009. Under the package the Northern Areas have been renamed Gilgit-Baltistan (historical names that have long been demanded by local nationalists), and have been granted their own assembly, governor, chief minister, election commission and other key State bodies (this nomenclature, it should be noted, more closely resembles that in Jammu and Kashmir than in AJK). To reduce the role of the Pakistan government’s Ministry of Kashmir Affairs, a Gilgit-Baltistan Council has been formed with equal representation from the region and the National Assembly of Pakistan. In its structure and powers, the Gilgit-Baltistan

Council is modeled on the AJK Council and is headed by the Prime Minister of Pakistan. Like the AJK Council, its composition leaves substantive central and/or federal authority with Islamabad.

10. Many in Gilgit-Baltistan complain that the package is too little too late. Indeed, the list of items that fall under the jurisdiction of the Legislative Assembly and Council is akin to Schedules II and III of Article 370, and are of the minor order discussed in the previous Chapter on *Political Components of the New Compact* (Paragraph 18). They include:

1. Public order (but not including the use of Naval, Military, Air Force, or any other armed forces of the Federation in aid of the civil power).
2. Preventive detention for reasons in connection with the maintenance of public order; persons subjected to such detention.
3. Prisons, reformatories, borstal institutions and other institutions of a like nature and persons detained therein, arrangements with other provinces for the use of prisons and other institutions.
4. Works, lands and buildings vested in or in the possession of the Gilgit-Baltistan Administration.
5. Compulsory acquisition or requisitioning of property.
6. Agriculture, including agricultural education and research, protection against pests and prevention of plant diseases.
7. Local Government, that is to say, the constitution and powers of municipal corporations, improvement trusts, district council's settlement authorities and other local authorities for the purpose of local self-government or village administration.
8. Theatre; cinemas; sports; entertainments and amusements.
9. Public health and sanitation; hospitals and dispensaries.
10. Burials and burial grounds; cremations and cremation grounds.
11. Intoxicating liquors, that is to say, the production, manufacture, possession, transport, purchase and sale of intoxicating liquors and other narcotic drugs.
12. Betting and gambling.

13. Fisheries.
14. Inns and inn-keepers.
15. Orphanages and poor houses.
16. Lunacy and mental deficiency including places for reception of treatment of lunatics and mentally deficient.
17. Estate Duty in respect of agricultural land.
18. Taxes.
19. Relief of poor; un-employment.
20. Cesses on the entry of goods into a local area for consumption, use or sale therein.
21. The salaries, allowances and privileges of the Speaker, Deputy Speaker, Chief Minister, Ministers and Members of the Assembly.
22. Management of Gilgit – Baltistan Consolidated Fund.
23. Environmental pollution and ecology.
24. Population planning and social welfare.
25. Regulation of labour and safety in mines and factories.
26. Trade unions; industrial and labour disputes.
27. Gilgit–Baltistan public services and Public Service Commission.
28. Gilgit–Baltistan pensions, that is to say, pension payable out of Gilgit–Baltistan Consolidated Fund.
29. Administrative Courts for subjects within the purview of Gilgit–Baltistan Legislative Assembly.

A full list is attached at *Annexure ‘F’*.

In other words, none of the powers offered under Article 370 are offered in the reforms package. To this extent, the reforms do not offer significant political and democratic freedoms and cannot be considered a step towards autonomy. Rather, they constitute a step towards political representation, though this is limited to local administration. In both AJK and Gilgit-Baltistan, State administrative powers are akin to those offered to panchayats in Jammu and Kashmir.

11. Despite these reforms, there have been widespread complaints about the conduct of the elections to the two Legislative Assemblies of 2009. Political dissidents were rounded up and imprisoned to prevent

them from contesting or campaigning in the elections. They included members of the All-Parties' National Alliance (APNA), the Gilgit-Baltistan Democratic Alliance (GBDA), the Gilgit Baltistan Thinkers' Forum (GBTF), the AJK JKLF, and the Karakorum National Movement (KNM).

12. Further, from 1980 onwards many outsiders, especially from Pakistan's Khyber-Pakhtoonkhwa and Panjab, have been encouraged to settle in Gilgit-Baltistan. This has resulted in a change in the demographic balance, leading to sectarian conflict between armed militias, especially in Gilgit. The issue of the future of these settlers and their rights within Gilgit-Baltistan needs to be discussed, as persons from outside Jammu and Kashmir are not regarded as State citizens.
12. Similarly, while the property of those who fled Jammu and Kashmir during 1948-49 has been protected by the State government, no such system exists in AJK, where the property of those who fled to Jammu and Kashmir has been assigned to migrants and/or displaced persons. Thus, while migrants and/or displaced persons from AJK can claim their original properties in Jammu and Kashmir, migrants and/or displaced persons from Jammu and Kashmir cannot claim their original properties in AJK.
13. Finally, both AJK and Gilgit-Baltistan have been used to provide sanctuary and training grounds for armed groups fighting in Jammu and Kashmir, and a frequently expressed desire by civil society is to have these groups disbanded and grounds closed.
14. From the brief account above, it is clear that a large number of legal and constitutional reforms and changes on the ground will be required if the same political, economic and cultural freedoms are to be offered across the LOC. Nevertheless, the 2009 Gilgit-Baltistan reforms package brings PAJK a step closer towards harmonizing relations across the LOC.

B. Easing Trade and Travel

12. One issue that has near-universal support in all parts of the former princely State is that of inter-Kashmiri trade and travel. The Prime

Minister's Working Group on Strengthening Relations across the Line of Control had recommended the opening of more cross-LOC routes and relaxation of restrictions on who could travel to include pilgrims, medical patients and tourists, if necessary unilaterally by India. Two routes now link the two sides of the LOC, Uri-Muzaffarabad and Poonch-Rawlakote. These two connect Jammu and the valley to Mirpur and Muzaffarabad. No Ladakh-Gilgit-Baltistan route has as yet been opened, though it has been demanded by the people of Kargil and Baltistan for many years.

13. Moreover, we have received a number of memoranda from traders' associations and from travelers on the bureaucratic difficulties in promoting trade and/or travel. The permit procedures are extremely cumbersome, so much so that buses often run at 10-20 per cent capacity. Trade has remained on a primitive barter basis, ironically in a world where money travels more easily than people or goods.

The key requirements identified in these memoranda include:

- (a) Opening all routes across the LOC, such as Jhangani-Mirpur, Mendhar-Kotli, Jammu-Sialkot, Skardu-Kargil, Turtuk-Khapulu, Chamb-Nonian to Mirpur (across Munawar-Tawi), Gurez-Astoor-Gilgit and Titwal-Chilham (across the Neelam Valley).
- (b) Apart from divided families, people who want to visit places of religious and tourist interest, businessmen, journalists, students, artists and people in need of medical assistance should also be provided with facilities for travel, and travel procedures should be eased.

Measures to ease travel would include the following:

- (i) Issue the travel permit on the strength of the Permanent Resident Certificate;
- (ii) Complete the security clearance within a maximum period of 30 working days;
- (iii) Give traders multiple entry-exit permits valid for one year;
- (iv) In case of emergencies grant the permit on a priority basis;
- (v) Allow applications for the travel permit to be made in the office of a Deputy Commissioner and;

- (vi) Permit relatives to see off or receive travelers at the border post.

- (c) In order to ease trade, fairs should be organized in towns closest to the LOC on both sides. Annual or biannual *Haats* (market fairs) could also be held between the check points on both sides of the LOC. The list of export and import items should be enlarged regardless of their provenance and without any restrictions on the quantity of traded goods. Customs duties should be exempted on a reciprocal basis for a period of three years. A unilateral decision to this effect can also be considered. Banking facilities should be provided on the LOC on both sides and the barter system done away with.

- (d) Custom checks should be swift, especially for perishable items. Scanners should be used to clear trucks and mini-trucks to avoid the time-consuming process of checking every item. The process of loading and unloading should be hastened. Trucks and mini-trucks should be allowed to go directly to their destinations. Alternatively, transport depots should be created in areas adjacent to the LOC.

- (e) Consultative Committees of members from each legislature on both sides, along with experts in the areas concerned, should be set up to facilitate activities in the following areas:
 - (i) agriculture, horticulture, floriculture;
 - (ii) protection of environment;
 - (iii) tourism;
 - (iv) exchange visits of students;
 - (v) exchange visits of scholars;
 - (vi) exchange visits of cultural troupes;
 - (vii) exchange visits of professionals such as lawyers, journalists, scientists, engineers etc.;
 - (viii) relief measures during epidemics and natural disaster and;
 - (ix) Increase the meetings of security personnel on both sides to Check infiltration of undesirable persons including militants, smugglers, drug peddlers, hawala racketeers, etc.

C. The Waters Issue

14. There is similar potential for convergence on the water issue, though at first sight it is a divisive one. As far as the water issue with Pakistan is concerned, even informed opinion in the State is convinced that the India-Pakistan Indus Waters Treaty has had a grievously adverse impact on the State. The limitations imposed by the Treaty on enhancing water storage capacities on the rivers on the Indian side has curbed both the hydro-power generation capacity of the State as well as stymied efforts for irrigating land. These factors, in turn, have failed to attract investment in the State.
15. Ironically, little attention has been paid both in Jammu and Kashmir and in the rest of the country to the significance of river waters in Pakistan's Kashmir policy. Pakistan's per capita water availability has declined from 5600 cubic meters in 1947 to around 1000 cubic meters today. The country's ground water table is depleting in well over half of the canal commands. So is the water storage capacity due to the heavy silt-load carried by the Indus. That is why it is of the utmost importance for Pakistan to acquire new sources of water in areas where dams can be constructed. These sources can only be found in the Kashmir Valley and in parts of Jammu. The physical control of the Chenab's basin alone can meet Pakistan's water requirements. It lies at the core of various proposals to resolve the Kashmir issue that Pakistan has floated since 1999 through Track-II diplomacy. New Delhi is justifiably wary of them.
16. In the meantime, Pakistan is also building dams in Pakistan-administered Jammu and Kashmir with Chinese aid, such as the Diamer-Basha dam, that threaten Indian water use and are contested within Gilgit-Baltistan.
17. The answer to the waters issue therefore does not lie in the abrogation of the Indus Waters Treaty – a demand that is sometimes raised in Jammu and Kashmir. Under the terms of the Treaty, India is duty-bound to comply with certain obligations as an upper riparian State. Moreover, legally speaking, it is next to impossible to unilaterally abrogate the Treaty. It provides for no exit clause as such. The only way the Treaty can be nullified is if both India and Pakistan agree to do so.

This thought has not crossed minds in Pakistan even at the peak of their hostility towards India.

18. To render the Treaty move effective requires a holistic approach that would address the needs of India and Pakistan and, above all, the people of Jammu and Kashmir. Several proposals to this effect are on the table. They call for an integrated development plan for the conservation of the Indus Basin. It would take into full account the linkages between water, land, the users, the environment and the infrastructure. It would have to focus on better management of shared water resources. Vast amounts of financial and technical resources would be needed to attain these goals – in addition of course to the political will of all stakeholders.

Articles of the Constitution of India extended to Jammu and Kashmir

Article 248: Residuary powers of Legislation

Article 249: Power of Parliament to Legislate with respect to a matter in the State List in the national interest.

Article 250: Power of Parliament to legislate with respect to any matter in the State list if a proclamation of emergency is in operation.

Article 251: Dealing with inconsistency between laws made by Parliament under Article 249 and 250 and laws made by Legislature of States.

Article 254: Dealing with laws made by Parliament and Laws made by the Legislatures of States.

Article 262: Adjudication of disputes relating to waters if inter-State rivers or river Valleys

Article 263: Inter State Council.

Article 355: Duty of the Union to protect States against external aggression and internal disturbance.

Article 356: Provisions in Case of failure of the Constitutional machinery in States.

Article 357: Exercise of Legislative powers under proclamation issued Under Article 356.

Article 358: Suspension of Provisions of Article 19 during emergencies.

Article 359: Suspension of enforcement of the rights conferred by Part III during emergencies.

Article 360: Provisions as to financial emergency.

Article 72 (1) C: Presidential Power to pardon Sentences of Death.

Article 72 (93): Saving clause for sentence of death exercisable by the Governor of State.

Article 133-136: Appellate, Federal Court and Special leave petition powers of the Supreme Court of India.

Article 138: Enlargement of Jurisdiction of the Supreme Court.

Article 145 (1) C: Supreme Court's Power to make rules as to the proceedings in the Court for the Enforcement of any of the rights conferred by Part III

Article 151 (2): Audit Reports by the Comptroller and Auditor-General of India relating to the Accounts of the State to be laid by the Governor before the legislatures.

Article 149: Duties and Powers of the Comptroller and Auditor-General

Article 150: Form of Accounts of the Union and of the States.

Article 151: Audit Reports.

Article 218: Impeachment of High Court Judges.

Article 220: Restriction on practice after being a Permanent judge of High Court.

Article 222: Transfer of a Judge from one High Court to another.

Article 226: Power of High Courts to issue certain writs.

Article 338: National Commission of Scheduled Castes.

Article 339: Control of the Union over the administration of Scheduled areas and the welfare of Scheduled tribes.

Article 340: Appointment of a Commission to investigate the conditions of the backward classes.

Article 341: Scheduled Castes.

Article 342: Scheduled Tribes.

Clause (4) Article 368: Amendments made under Article 368 not to be called in question on any court in any ground.

Annexure “B”

**Extracts from the Memorandum of Agreement Between
Government of India, Government of West Bengal and Gorkha
Janmukti Morcha for creating an autonomous Body to be
Called Gorkhaland Territorial Administration:
List of Subjects to be transferred to the GTA**

- Agriculture, including agricultural education and research protecting against pest and prevention of plants diseases, horticulture, floriculture and food processing;
- Animal husbandry and veterinary, that is to say preservation, protection and improvement of stock and prevention of animal diseases, veterinary training and practices, cattle pounds, dairy development;
- Cooperation;
- Information and Cultural Affairs
- School education, including primary education, secondary education, higher secondary education (including vocational training); physical education; government schools;
- College education, including agricultural and technical colleges, local management of Government sponsored colleges, mass education and physical education, engineering, medical, management, and information technology with Government and Government sponsored colleges for which wings/cells shall have to be created by the GTA for the area under its jurisdiction;
- Adult education and library services;
- Fisheries;
- Irrigation, drainage and embankments, floods and landslide protection;
- Food and civil supplies; consumer affairs;
- Management of any forest, not being reserved forest; [Explanation – ‘reserved forest’ shall mean a reserved forest as constituted under Indian Forest Act 1927 (16 of 1927)];
- Cottage and small scale industry including sericulture, handloom and textiles, handicrafts and Khadi and Village Industries;
- Cinchona plantation and settlement of land in possession of the plantation inhabitants; management of lease of cinchona lands, etc., under it;
- Women and Child Development and Social Welfare;
- District Sainik Board;

- Health including Public Health and family welfare” including hospitals., dispensaries, health centres and sanatoriums, establishing a Nurse Training School;
- Intoxicating liquors, opium derivatives subject to the provisions of Entry 84 of List I of the Seventh Schedule; distilleries – control and regulation, Bonded House and raising of revenue;
- Irrigation;
- Water resources investigation and minor irrigation;
- Labour and Employment;
- Land & Land Revenue including allotment, occupation or use, setting a part of land other than land and reserved forest for the purposes of agriculture or grazing or for residential or other non-agricultural purposes to promote the interest of the people;
- Library services (financed and controlled by the State Government);
- Lotteries (subject to the provisions of the Entry 40 of the List I of the Seventh Schedule);
- Theatre, dramatic performances and cinemas (subject to the provisions of the Entry 60 of List of Seventh Schedule); Sports, entertainment and amusements;
- Markets and fairs;
- Municipal corporation, improvement of trust, district boards and other local authorities; fire services;
- Museum and archeology institutions controlled or financed by the State, ancient and historical monuments and records other than those declared by or under any Law made by Parliament to be of national importance;
- Panchayat and Rural Development including District Rural Development Agency (DRDA);
- Planning and Development;
- Printing and Stationery;
- Public Health Engineering;
- Public Works Department including work relating to state highways as well as the responsibility discharged by the State Government for maintenance of National Highways within the jurisdiction of GTA;
- Publicity and Public Relations including Regulation of Media – both print and electronic media;
- Registration of births and deaths;
- Relief and Rehabilitation, establishing a branch of disaster management in consultation with NDMA under the extant laws/rules;

- Sericulture;
- Small, cottage and rural industry subject to the provisions of Entries 7 and 52 of List of the Seventh Schedule;
- Social Welfare, including part of SC & ST Development and Finance Corporation under GTA area;
- Soil conservation;
- Sports and Youth Welfare;
- Statistics;
- Tourism: Tourism infrastructure within the jurisdiction of the GTA catering to the area of GTA would be transferred to GTA. However, GTA may set up its own wing of Tourism Development Corporation for the area under its jurisdiction;
- Transport (roads, bridges, ferries and other means of communication not specified in List I of the Seventh Schedule, municipal tramways, ropeways, inland waterways and traffic thereon, subject to the provision of Entry 40 of the List I and List III of the Seventh Schedule with regard to such waterways, vehicles and other mechanically propelled vehicles);
- The State Government will consider opening an RTO office in the GTA area however, powers vested with the DM at present would remain with him only;
- Tribal research institutions controlled and financed by the State Government;
- Urban development – town and country planning;
- Weights and measures subject to the provisions of Entry 50 of List I of the Seventh Schedule;
- Welfare of plain tribes and backward classes subject to the area being under GTA only;
- Welfare of the Scheduled Castes and Scheduled Tribes and Other backward Classes;
- Welfare of Minorities;
- Management and settlement of land including markets and market sheds controlled by the Darjeeling Improvement Fund;
- Minor Minerals and Mineral development (subject to the provisions of Entry 23 of List II of the Seventh Schedule);
- Rural Electrification;
- Renewal sources of energy including water-power (subject to Entry 56 of List I and Entry 38 of List III of the Seventh Schedule);
- Sharing electricity with GTA subject to evolving a mutually agreeable formula with the State Government;
- Pounds and prevention of cattle trespass;

- Management of burial grounds and cremation grounds;
- Regulation of Cable channels; to the extent the powers of Central Act, i.e. the Cable Television Network (Regulation) Amendment Act, 2002, vests with the State Government.

**Economic and Social Components of the New Compact:
A Backgrounder**

A review of socio-economic Progress:

The people of Jammu and Kashmir have been denied peace and economic security, which their counterparts in the rest of the country enjoyed in the last two decades. The externally supported insurgency and militancy have not only jeopardized the functioning of democratic institutions but also disrupted normal life and eroded governance systems, including delivery of essential services to the intended beneficiaries. To overcome the economic hardships faced by the people, the Centre and the State Governments have over time taken various initiatives, the outcomes of which may be gauged from the improvement in indicators of development.

- In 2010-11, the gross state domestic product (GSDP) at constant prices recorded a growth rate of 6.61%, which was one of the highest in the recent years. Incidence of poverty i.e. percentage of people below the defined poverty line, has also declined from 41 per cent in 1973-74 to 21 per cent in 2007-08, which demonstrates significant improvement in quality of life of the people. At least 98 per cent households in the State own a house, which is higher than the national average of 66 per cent or so.
- The overall literacy rate has risen to 68% as per 2011 census, against 55% in 2001. Literacy rate continues to be marginally higher in Jammu Division as compared to Kashmir Valley and Ladakh Division.
- However, an account of performance of school education, provided in the Report on Economic Survey 2010-11, presents a nuanced picture:

“Enrolment:

The gross enrolment ratios at primary and middle levels are 79.13% and 62% respectively. The net enrolment ratio is 64% and 47.07% only.

Quality of Education:

As per NCERT Report 2003 on assessment of Class V student achievements, learning achievement in mathematics and in language in primary classes in J&K is 36.3% and 49.6% respectively as against the national average of 46.5% in maths and 58.57% in language.

Only 75 per cent of primary school teachers in the state are trained as against the national average of 89 per cent trained teachers.”

- Access to secondary and post-secondary education in the State as well as gross enrolment ratio (GER) is lower at every stage of education than the national average. For instance, the GER of higher education is only 10 per cent as against the national average of 12 per cent. For different reasons, quality of education is much to be desired as evident from lack of accreditation of programmes and institutions by any credible agency.
- The State economy suffers from simultaneous existence of shortage of professionally qualified staff and abundance of unemployable educated graduates. This indicates lack of preparedness of vocational and technical institutes to supply manpower required by the knowledge and technology intensive economy.
- The progress made for providing quality health care services also presents a picture of light and shade. While the life expectancy at birth for men and women is very close to national average of 65 and 68 years respectively, in 2010, the child sex-ratio at 859, in 2011, is one of the lowest in the country which calls for paying special attention to strengthen the welfare programmes on child and women development. In fact, mortality rate has substantially declined, though the State is far behind in realizing the target fixed for the current XI Plan.
- Of late, there are a large number of reported cases of mental health disorders, victims of drug abuse and domestic violence, which are attributed to conflict-related trauma. In order to address these

problems, adequate infrastructure support, commensurate with requirements of the trauma and mental health care centres, to deal with all such cases would be required.

- An overall assessment of socio-economic indicators reveals that there is perceptible improvement in quality of life of people. This is despite the fact that the topography of the State and the political turmoil due to insurgency and militancy has adversely affected the development process. As a result of which the record of performance of the State in enhancing the quality of life through a credible peace process and engagement of people in various productive activities has been lower than the progress made by the majority of Indian states. An attempt is made below to outline the measures for expediting economic progress so as to arrest the growing alienation among people.

2. Trend in Plan Expenditure and it's Impact on Development

Jammu and Kashmir State is characterized by all kinds of diversities, which explain the plurality of political and economic aspirations of different regions and ethnic communities. Opportunities for reaping the benefits of development need to be equalized across various socio-economic groups and regions, which is however not possible without effective empowerment of people and restoration of normalcy in the State.

Intra-regional disparities in access to economic services induce a sense of neglect and resentment against the policies and programmes of the Government. It is imperative therefore to identify the sources of discontentment among different groups so as to initiate measures to redress them.

In the course of interaction with a large number of representatives from different regions and social categories, the group noted, among other things, that the people from Jammu and Ladakh have alleged discrimination in respect of both lack of political representation on all the elected bodies and inadequate allocation of funds, resulting in economic disparities across the regions. An attempt is made below to gain an

insight into the allocation and utilization of funds as well as to assess the extent of socio-economic disparities in development across the regions. The pattern of plan expenditure during 8th (1992-97) through 11th Plan (2007-12) shows that of the total allocation of funds, 61 per cent was spent in the Kashmir region while the remaining 39 per cent was incurred in Jammu region. There are year to year fluctuations in the utilization of the total available funds. Of the ten completed five years plans, at least in five plans, available funds to the extent of 10 to 25 per cent could not be utilized.

Table-1: Growth of Five-Year Plan Outlay and Actual Utilization of Resources with Priorities from 1950-51 to 2002-07
(Rs. In crores)

S.No.	Plan Period	Five year Plan Outlay	Actual Expenditure (% of outlay)	Priority Sectors
01	1951-56 I	12.74	90.39	Irrigation, Power, Transport, Communication
02	1956-61 II	38.92	76.49	Agriculture, Irrigation, Transport, Communication and Social Services
03	1961-6 III	75.15	82.31	Irrigation, Social Services and Agriculture
04	1969-74 IV	158.40	102.81	Irrigation, Power, Social Service, Transport and Communication
05	1974-79 V	363.40	76.65	Irrigation, Power and Social Service
06	1980-85 VI	900.00	102.02	Social Service, Irrigation, Power and Agriculture
07	1985-90 VII	1400.00	116.90	Social Service, Irrigation, Power and Agriculture
08	1992-97 VIII	4000.00	113.00	Irrigation, Power and Social Service
09	1997-02 IX	10,000.00	75.43	Social Service, Irrigation, Power, Agriculture, Rural Development
10	2002-07 X	14,500.00	101.03	Social Service, Irrigation, Power, Agriculture, Rural Development

11	2007-12 XI	2583400.00	-	Power, R&B, Education and Agriculture and Irrigation
----	------------	------------	---	--

Source: Compiled from 2nd and 4th Five Year Plans, J&K Economic Review 2006-07, Directorate of Economics and Statistics, Planning Department, J&K Government, Annual Plan 2008-09

The Annual Plan allocation, as under, shows that budgetary provisions have been stepped up at the rate of 10% per year. And the entire allocation of funds has not been utilized by the State for various reasons, including harsh climate in large part of the state during November to March due to which many activities slow down, lack of submission of utilization certificates by the state, delays in Central government approvals of plan outlays, and release of funds in the last month of a financial year.

Table 2: Utilization of Funds under Eleventh Five-Year Plan (2007-12)

Year	Plan Outlays (in Crore)	Expenditure (In Crore)	Utilization % age
2007-08	4000.00	3717.33	93%
2008-09	4500.00	4067.31	90%
2009-10	5500.00	5279.14	96%
2010-2011	6000.00	5572.00	93%
2011-2012	6600.00	--	--

Source: Compiled and computerized by the Group

In addition, an allocation of over Rs.32389/- crore has been approved under Prime the Minister's Reconstruction Plan for accomplishing specific tasks of infrastructure development, including redressal of grievances of militancy – affected people. But the provision made on year to year basis is hardly utilized. Only one-third of the above allocation Rs.10869/- crore has been spent in the last six years. Of the total allocation of Rs.1200 crore in 2010-11, for instance, less than fifty per cent was utilized.

It emerges from the foregoing that investment of resources for infrastructure development has not kept pace with the rise in prices, which may be interpreted to mean that investment in real terms has

overtime declined in the State. The step up of merely ten per cent per year is not adequate enough to neutralize the erosion of resources due to inflationary pressure. Nor has the total allocation been fully utilized, let alone the realization of physical targets. It is not surprising, therefore, that economic opportunities for employment and income generation have shrunk. This has contributed to marginalization and alienation of the poor.

The impact of long-term public expenditure is reflected in overall development index, which is presented below to gain region-wise perspectives.

Table 3: Region Ranked According to their Aggregate Level of Development Index During 1980-81 and 2006-07

Region	1980-81			2006-07	
	Index of Aggregate Development (EDI)	Rank	Region	Index of Aggregate Development (EDI)	Rank
Kashmir	0.3481	I	Kashmir	0.4349	I
Jammu	0.3039	II	Jammu	0.4333	II
Ladakh	0.2432	III	Ladakh	0.3374	III

Source: Page 114 of the Stat Finance Commission Report, 2010

On the basis of the above findings, the **State Finance Commission** has observed that:

5.96: The relative rate of improvement during the period under reference has been at a low pace in case of the Kashmir region and relatively faster in Jammu and Ladakh regions. There does not seem to be built –in discriminatory tendencies in development processes to bring about inequity in development levels between the regions.

5.97: While the Jammu region improved its development activities by 42.65 per cent between 1980-81 to 2006-07, the Kashmir region improved just by 25.22 per cent and Ladakh by 38.74 per cent in

terms of index values during the period under investigation. Therefore, the pace of development activities as mentioned above seem to be faster in the Jammu region in comparison to the Kashmir region and Ladakh during the period under reference. We can examine among the sectors the pace of development to know as which sectors have progressed well during 1980-81 to 2006-07 and which ones have grown at a slow pace of development.

As per the index value of sectors, it is the social sector, agricultural sector and development sector which have grown fast thereby moving the regional aggregate development index of Jammu on higher side.

The relative positions of major districts are shown in the tables 4.

Table 4: Aggregate Development of Index Values of districts/regions For 1980-81 and 2006-07

1980-81			2006-07		
District	Index	Rank	District	Index	Rank
Srinagar	0.3619	1	Jammu	0.4801	1
Pulwama	0.3403	2	Srinagar	0.4562	2
Jammu	0.3376	3	Pulwama	0.4471	3
Anantnag	0.3358	4	Kathua	0.4262	4
Budgam	0.3193	5	Budgam	0.4252	5
Kathua	0.3171	6	Anantnag	0.3946	6
Kupwara	0.2798	7	Rajouri	0.3934	7
Baramulla	0.2778	8	Poonch	0.3889	8
Poonch	0.2522	9	Udhampur	0.3747	9
Udhampur	0.2492	10	Baramulla	0.3555	10
Kargil	0.2491	11	Kargil	0.3438	11
Rajouri	0.2187	12	Leh	0.3411	12
Leh	0.2187	13	Kupwara	0.3346	13
Doda	0.2084	14	Doda	0.3218	14
Kashmir Region	0.3481(39.0)	I	Kashmir Region	0.4349(36.07)	II
Jammu Region	0.03039(34.0)	II	Jammu	0.4333(35.94)	II
Ladakh	0.2432(27.0)	III	Ladakh	0.3374(27.99)	III

Source: As above, Table 25 at Page 154-5

The purpose of this discussion is to demonstrate that : (i) due to differences in natural resource endowment of the different districts/region, the development indices may widely vary; (ii) the unit costs of economic services may differ across the regions due to the topography of the State and, therefore, absolute amount of income or expenditure may not reflect the quality of life or determine the alleged discrimination in government's allocation of funds for development; (iii) the pace of improvement in development index for all the district is almost uniform, due to which relative rankings have remained unchanged over the last 25 years or so; and (iv) indices of development for Jammu and Kashmir region are very close and are comparable, which disprove the alleged neglect or discrimination against the Jammu region as a whole.

There is moreover considerable inter-district disparity in income, literacy and other parameters of quality of life. Since allocation of plan expenditure and its efficient utilization are important indicators of development of districts, it is suggested that the districts which are categorized as backward on the basis of incidence of poverty, income and literacy, etc. should be provided adequate development support so as to enable them to raise the standard of living of people, at least to the average extent as obtaining in other districts.

Table 5: District-wise Indicators of Development

S.No	Districts	Density (per sons) per sq.km of area 2011	Primary Health Centers Except Pvt. & Associated Hospitals	Literacy rate 2011	Credit Deposit Ratio 2009-10	Bank Branches 2009-10	Per Capita plan outlay 2010- 11 (in Rs)	Below Poverty Line Population 2007-08 (%)	per capita NDDP at current prices 2006- 07(Q)
	i	ii	iii	iv	v	vi	vii	viii	ix
1	Anantnag	340	30	64.32	42.27	64	1022	14.46	18999
2	Budgam	574	36	57.98	47.31	36	1090	26.64	19481
3	Baramulla	252	30	66.93	49.53	92	934	26.49	19825
4	Doda	139	13	65.97	18.13	19	1870	29.07	20087
5	Jammu	755	31	83.98	33.15	200	525	11.97	30149
6	Kathua	266	26	73.50	35.00	51	1273	11.72	27568
7	Kargil,	11	5	74.49	12.03	11	4603	31.90	16566
8	Kupwara	355	33	66.92	40.92	44	1115	32.55	15892
9	Leh	3	14	80.48	16.07	16	4748	22.07	22283
10	Poonch	289	17	68.69	22.02	20	1707	33.67	18983
11	Pulwama	528	20	65.00	46.22	35	1140	26.18	19877
12	Rajouri	239	22	68.54	25.44	40	1565	25.10	19014
13	Srinagar	1120	15	71.21	80.19	149	343	6.51	24150
14	Udhampur	242	21	69.90	24.80	39	1381	24.56	23060
15	Shopian	880	5	62.49	47.79	16	1961	16.42	N A
16	Bandipore	1150	6	57.82	56.09	16	1362	31.09	N A
17	Ganderbal	265	1	59.99	56.25	23	2263	24.23	N A
18	Reasi	189	13	59.42	26.75	23	1892	37.93	N A
19	Samba	389	12	82.48	54.45	28	1557	13.88	N A
20	Kishtwar	32	12	58.54	15.13	8	2383	37.72	N A
21	Ramban	207	9	56.90	17.95	16	2097	37.73	N A
22	Kulgam	526	17	60.35	43.06	27	1269	22.59	N A

Source: Compiled from Economic Survey 2011, Govt. of J&K

**LIST OF RECOMMENDATIONS MADE
IN THE REPORTS ON THE VISIT OF INTERLOCUTORS
TO THE STATE**

FIRST VISIT: OCTOBER 2010:

(A) Kashmir Related recommendations:

1. Release all militancy-related prisoners who have not been charged with committing heinous crimes. Begin the process with stone throwers and well-known dissidents such as Shabir Shah, Asiya Andrabi, Mian Qayoom among others;
2. Take measures to provide job-oriented skills to young people released from jail.
3. Ensure that militants who have surrendered are rehabilitated.
4. Get the courts to expedite the case of under-trials involved in militant activities. Allow visiting rights, especially to women detenus.
5. Ensure speedy punishment of those accused of human rights violations. The mechanisms in place for this purpose, especially the State Human Rights Commission, must be strengthened without delay. Fraudulent complaints need to be publicly exposed.
6. Security forces must be given special training to respect the dignity of citizens. A ham-handed approach to the verification of ID cards and to frisking are tantamount to harassment. Similarly, while security interests are supreme they must be safeguarded in such a way that a curfew does not create hassles for day-day living which it does at present.
7. Peaceful protests must be allowed. The fear that they can degenerate into violence cannot be dismissed out of hand. Yet there is nothing to prevent the security forces from seeking the cooperation of senior members of the community to ensure that

agents provocateurs do not breach the peace. Such cooperation has been tried out with great success in several riot-affected parts of the country.

8. The ostentatious presence of the security forces must be reduced to a minimum even while ensuring that they can be rushed to any spot to quell trouble at short notice.
9. Mass protests should be controlled in ways that do not lead to loss of life, grievous injury and damage to property. Special care must be taken to protect children, women and elderly.
10. It is urgent to establish recreational facilities, especially sports facilities, for the benefit of young people.
11. Expert advice needs to be sought to allow SMS services to function even while ensuring that these are not used to spread inflammatory rumours.
12. Government-controlled mass media must be used to highlight local cultures, high-light the achievements of Kashmiris in the country and abroad, drawn attention to the strides India has taken with the Muslim world and with the major powers.
13. Take effective steps to restore, preserve and promote Kashmir's cultural heritage. The Group was shown detailed projects concerning down-town Srinagar and the Mughal Gardens along with several archaeological sites.
14. Arrange for Kashmiri youth to visit centres of educational, cultural and business excellence in the country together with film studios and tourist spots.
15. Announce more scholarships to Kashmiri students to pursue higher studies in well-known institutions in the country.
16. Strengthen the state's Human Rights Commission.
17. Implement all the provisions of the RTI act to make governance as transparent and accountable as possible.
18. Increase monetary allocations to militancy-related widows and orphans. Take steps for rehabilitation of drug users and those suffering from psychiatric disorders.
19. Offer a slew of incentives to private sector enterprises to invest in Kashmir.
20. Seek a psychological closure of some 200 cases of disappeared persons, most of them from the 1990s.
21. Lift curbs on the media but also get them to observe a self-regulated code of conduct. Our Group had to cancel a couple of appointments because someone had dipped off the media to converge on the venues. The participants did not wish to be identified.

22. The Group was told that government advertisement in the local press is selective. It has been reduced in the cause of 'Greater Kashmir' and 'Rising Kashmir' but not in 'Kashmir Times' which is more pro-'movement' than the years. This practice, if true, needs to end.

(B) Recommendations regarding Sikhs and non-Kashmiri Muslims:

1. Some 73,000 Sikhs are to be found in 126 villages located in 8 districts of Kashmir. Militancy has forced most of them to migrate to urban centres in the valley, leaving behind their agricultural land, orchards and homes. Their demands, which require urgent and sympathetic considerations are as follows : (a) issuance of state subject certificates; (b) granting of minority status; (c) compensation for the losses incurred by Sikhs in rural areas over the past two decades; (d) benefits on par with Kashmiri Pandits in terms of housing colonies, free education, rehabilitation measures and preferential employment. Currently, some 7000 educated Sikh youths are unemployed. They may be considered for jobs in central government institutions such as banks, insurance companies, airports and railways.
2. The main demand of the Muslim Pahadis, who form 22 per cent of the population of the state, is for securing ST status. Successive governments at the centre, as well as the High Court, have supported the demand. But no action has been taken for more than twenty years. There are surely sound reasons why the demand has not been met. Our Group recommends some sort of a special status for the Pahadis who have always stood by India, using language and culture as criteria.
3. Muslim Gujjars and Bakerwals, who have also been stoutly pro-India, seek forest rights, enhanced development funds and representation in local and state-level political institutions and the bureaucracy. Our Group supports these demands.

(C) Recommendation regarding other Groups:

1. The Kashmiri Pandits living in cramped quarters in camps on the outskirts of Jammu want the monthly funds they receive to be raised substantially given the rising costs of living. Furthermore, they seek jobs, reserved from them in Kashmir, to be made available to them in Jammu itself. Our Group believes that both demands deserve sympathetic consideration. Our Group also

backs the demand for the right to return and for representation in the Apex Committee for Rehabilitation. Likewise, we support the idea of a regular interaction programme between KPs and Kashmiri Muslims.

2. The Shias, a dominant community in Kargil but who are also to be found in other regions of the state, want greater representation in the bureaucracy, better educational facilities, job opportunities and guarantees that their land is not usurped to provide space for, say, a police station. Our Group suggests that development projects and private sector units be set up in Shia-concentrated localities.
3. Migrants from PoK who have settled in Jammu from 1947-48 onwards also suffer from a feeling of neglect. Their entitlements are nowhere on par with those enjoyed by the Kashmiri Pandits. They also demand the issuance of state subject certificates and improvement in the living conditions in 39 camps where they have resided for decades. Our Group endorses these demands.

Finally, our Group fully supports the recommendations made by the Working Group on strengthening relations across the LoC. Opening up of new bus routes, increasing the frequency of bus services, simplifying travel procedures, encouraging cross-LoC trade and exchanges of cultural and academic groups deserve attention on a priority basis.

SECOND VISIT: NOVEMBER 2010:

1. Everyone wants a comprehensive and lasting political settlement to the issue of J&K state to be achieved sooner than later.
2. Most people agree that such a settlement will not be achievable without change on ground that would enable a dialogue with key stakeholders towards a lasting settlement.
3. Most people also agree that the long duration of the uncertainty over the identity/status of J&K combined with its diversion in 1949 has added layers of complicity contributing factors to the conflict.
4. All agree that as a first step the way to address the problem is recognize the honour and dignity of all the concerned actors for peace.

THIRD VISIT: DECEMBER 2010:

1. Fear of Victimization must be Abated:

A majority of youth in the Valley suffer from fear of victimization by both the security forces/police and the separatist groups. They, therefore,

refrain from coming out openly, lest they should be identified, to share their perspectives on the present turmoil and the prospects of defusing tensions in the State. Some people, mainly students, sought safer places to meet the Group so that they could not be seen and identified by police or separatists.

The traders and business community, who reluctantly respond to and yield to calls for Hartals or closure of shops, similarly suffer from a fear psychosis. Most people in the Valley stated that they are variously harassed by police as well as separatist groups. And, therefore, they are unable to effectively exercise freedom of expression and mobility in pursuit of social goals.

With a view to empowering the people to overcome their fear, the following confidence-building measures may be considered:

1. A closer working relationship between police and the elders from local community (Mohalla Committees) should be promoted by adopting such practices as may be acceptable to both the police and the community. This may require formation of joining groups of communities and police force for promoting understanding and cooperation for maintaining law and order in each locality. Peaceful existence of a cross-section of society should be entrusted to the community leaders and to MLAs.
2. In pursuance of the Government's commitment, under eight-point policy announcement for release of political prisoners, all the detainees under PSA without serious charges against them should be granted general amnesty and released at the earliest, preferably by end of January 2011. And, accordingly, a public announcement should be made to demonstrate the Government's resolve to ensure justice to all. In cases of serious charges, the period under which people can be held under PSA should be limited to one week and after this due process of law should prevail.
3. Further, there are hundreds of FIRs against individuals on minor charges such as disturbing the peace, even for carrying out peaceful protests. These FIRs should be withdrawn. CM could announce the withdrawal of these FIRs as a continuance of his policy of allowing peaceful protest (at the same time a circular could be issued stating that police permission on route is required for all protests).

4. It appears that in some cases, police have also interrupted exams to arrest wanted stone pelters, apparently because this is the only time they surface from underground. While the police requirements are understandable, such actions further contribute to the fear psychosis and should be resorted to only for the rarest of rare cases.
5. Under the overall supervision and guidance of the Mohalla Committee, comprising local community and police, as stated above, all the remaining bunkers, about 15, in residential areas of Srinagar should be removed in a phased manner by the end of January. GOI could also consider starting a survey of rural areas where security installations can be removed/ redeployed out. These measures would surely promote mutual trust and confidence among the security forces and the local communities, which in effect would put in place a credible peace process.

(B). Use of Non-Lethal methods to Suppress Violent Activities:

The Group have had an opportunity of viewing a number of video clippings of encounters between security forces and stone pelters. During the interaction with the senior officials of security forces, it was noted that the forces did not use tear gas or water shells to disperse the mobs and to defuse tensions. Nor is there any evidence of scaring the mobs through the use of air firings, rubber bullets or resorting to firing below the waist. Had the forces used non-lethal methods of controlling violent activities, loss of lives of youth could have been avoided. The consequent backlash and loss of business opportunity could have also been controlled and averted.

1. We welcome the JK police's plan to issue an SOP regarding use of non-lethal methods of crowd control, and hope that they will ensure sufficient supplies of such materials are with them by this spring.
2. We also hope government is enquiring into the quality of manufacture of such materials, given that Tufail Mattoo was killed by an unexploded tear gas shell/canister. Has the manufacturer of the shell/canister been pulled up and asked to pay compensation?
3. In view of the above, security forces should be strictly advised to refrain from use of lethal weapons for controlling the stone-pelting mobs. No civilized society can afford to suppress people's resentment and stone-pelting through the direct use of bullets, without having made

attempts to disperse the crowd through the use of other available means, as stated above unless, of course, there is a threat of lynching of security personnel or a threat of setting police vehicles, with people inside, on fire.

4. We are aware that security forces faced a serious threat in the months of unrest. There are, we believe, some 3000 injured security men in hospital. Better protective gear for them, along with ample supplies of non-lethal weapons, will also minimize the threat to them.

(C). Re-deployment of Unemployable Youth:

During the interaction with a cross-section of people, an impression that the Group has formed is that most of the stone-pelters, including those have been recently killed, belong to educationally and economically backward families and that they are largely school drop-outs. Because of the limited economic opportunities in the Valley and lack of technical skills, the youth in the age group of 15 to 25 years or so are unemployable in the local job market. Economic and social constraints, including language barrier, hold them back from moving to the rest of the country, which offers huge employment opportunities. The youth is, therefore, frustrated and is easily exploited by politically active groups on the pretext of freedom movement.

The wages offered to the poor, Rs.110 for 100 days in a year under the Rural Employment Scheme of MNREGA is much less than the market rate of Rs.250 to Rs.300 per day. Therefore, there is no worthwhile scheme in J&K under which the poor (unskilled) youth could be gainfully engaged in a constructive manner and on productive projects.

It is therefore urgent that:

1. All the aspirant job seekers, particularly the school/college drop-outs should be identified and be offered short-term vocational/technical training the areas of their interest so that they could be easily employed on productive ventures;
2. Arrangements for their vocational education and training should be made outside the state of J&K, with a view to ensuring both employability in other Indian states and minimizing the chances of their being exploited by vested interests for illegal political activities;
3. The number of such unemployable youth may be less than one lakh. And, they can easily be taken care of in a phased manner

at the least cost, since the cost of keeping them untrained and unemployed would be even much higher. Moreover, the proliferation of unproductive youth population could also be contained which in effect would minimize illegal activities of disgruntled elements;

4. Ways and means of establishing collaborative arrangements with the institutions of J&K and the organizations located in various cities should be explored on priority basis so that the youth's potential energy could be gainfully exploited and diverted to productive uses. Sooner it is done, the better. A comprehensive scheme should be designed and implemented expeditiously.
5. Though it may not be within the purview of the Group to explore the opportunities for re-deployment of youth through technical and vocational training, technical support and guidance could be provided, if south, by the concerned government departments.

In view of the foregoing, the Group strongly feels that unemployed youth who respond to the calls for hartals, participate in violent activities and vitiate the atmosphere of peace, should be deployed on productive activities through adequate and relevant technical training schemes. The centre may provide both technical and financial support.

6. Apart from unemployed youth, there is also a wider problem of isolation that all young Kashmiris face, which has been exacerbated by the suspicious treatment they get in hostels and hotels when they visit the rest of the country. The Home Ministry could consider issuing an advisory through police stations across the country, that Kashmiri youth should not be singled out for police reporting but should get the same treatment as other youth in the country.
7. Moreover, as an immediate measure, government could consider a massive field/study program for university students this summer, under which they could go to universities/research institutions/professional organizations for a month/two month's study trip during their summer break. This could break the isolation problem in the short-term.

(D). Ensuring Greater Transparency in Functioning of Govt. Departments:

The civil society organizations, which work for promotion and protection of social interests of different groups in J&K, have stated and asserted in their representations that there is rampant corruption or illegal manipulation in matters relating to recruitment process, award of contracts, allocation of resources across the regions/sub-regions, etc. They alleged that the benefits of huge central funding hardly percolate down to deserving poor people.

In the absence of adequate and relevant data and information, it is difficult to ascertain the truth. This also provides a fertile ground for floating rumours and promoting misinformation that suits vested interests.

In order to promote informed discussions and dialogue on issues of policy decision, and to encourage people's participation in democratic governance, it is imperative to ensure total transparency in functioning of various government departments.

1. All the government departments should therefore be advised to put in the public domain all the relevant details about recruitment process and public expenditure on socioeconomic projects so as to enable the citizens to scrutinize the public action and thus contribute to a healthy dialogue process.
2. All the relevant details of government activities should be displayed on the respective websites of the departments. This exercise should be completed as per the provisions of the RTA Act within three months, preferably by the end of March 2011 so that the facts and figures are widely shared by all the stakeholders.

This would thus create a healthy condition for fruitful dialogue and discussion for both good governance as well as effective resolution of political conflicts.

(E). Promote secular values among youth, including university students, who tend to view Kashmir issue from communal angle :

It is the youth of J&K who can shape the political future of the State. In contrast to the older generation, who has unquestionable faith in promoting harmonious co-existence of all the ethnic and religious

communities, the younger generation perceive the problems of J&K from communal and regional perspectives. The youth, mainly the College students of the three regions – Jammu, Kashmir and Ladakh – widely differ in their approach to the resolution of Kashmir problem, owing mainly to regional and communal overtones. There is hardly any point of agreement among them on such vital issues as the state administration, funding mechanisms and political status of the different regions.

The youth should imbibe secular and democratic values of: living together with all the ethnic communities, having faith in brighter future of the country, and promoting unity and integrity of the country. In view of this, it is suggested that:

1. All the Universities/Colleges of the State should make concerted efforts to encourage interaction and mobility among students so as to enable them to exchange their views on different facets of life, share their concerns of mutual interests and promote understanding on federal set up and democratic policy of the country.
2. In particular, the institutions should organize on regular basis such events as cultural, games and sports activities so as to promote competitive spirit and to provide opportunities for greater interaction among them, which in effect would reduce all kinds of biases, divisive tendencies and communal divide among them;
3. The institutions of the state should, collectively and individually, make arrangements with our universities outside the state for encouraging mobility among students and teachers, which in turn, would not only widen their vision of India's development potential but also enhance standards of teaching and research in the State.

4 The central and State governments may advise the concerned departments to respond to the representations we have required to clarify their legal and policy dimensions. The representatives may be invited to meet the relevant officials.

5 On a continuous basis local and national media must be informed of government decision. So must those MPs who were part of the All-Parties delegation that visited the state.

5 We would like the government to ask a constitutional expert to examine four documents prepared respectively by the National

Conference, the PDP, the break way faction of the NC (ANC) and Sajjad Lone. The objective would be to enumerate both the points of convergence and divergence. We have written to separatist leaders asking for their public positions on a political settlement. If and when we get their documents, we will be in a position to formulate the broad contours of a political settlement.

(F) Women in J&K:

1. Overall, most women talk about the impact of conflict on their lives – in particular, the toll taken by violence. This is an issue which has been neglected over the past two decades. Families who have lost their men have received little help other than a one-time compensation, in some cases as little as a lakh. In Rajouri, we met a family of 7 widows whose husbands had all been killed in a single militant attack. They received Rs.1 lakh each but after that no help in finding jobs or in employment for their children, who have not been able to benefit from the provision for jobs for militancy affected families because these pertain only to those living in the vicinity of the LoC.

2. This is an issue which requires attention but government agencies may not be the best to handle rehabilitation for widows and orphans. Available schemes need swift implementation and monitoring by respected NGOs, preferably local ones. Without this the chances remain high that many affected women will be left out of the loop.

3. Employment is another critical issue. This is a state in which women have traditionally worked, both in the fields and in the cities. The Rangarajan Committee could consider special provision for women's employment.

4. Women are also active in politics. The PDP and the much smaller ANC and Socialist Party are all three headed by women. If there Panchayat elections and if women candidates are fielded, they are likely to do well. Yet few of the mainstream parties have women's wings – though the Jammat-e-Islami and the hard-line separatists do (Dukhtaran-e-Millat). This is a gap our political parties need to look into as a matter of priority.

5. At a broader level, the role of women in peacemaking – and especially in peace-building – is now recognized as contributing significantly to a meaningful peace process. Through women are active in various supportive ways in Jammu and Kashmir, they have not been

sufficiently involved by government in “the healing touch”. They could help with rehabilitation for widows and orphans and without monitoring women’s employment.

6. In Leh, we were very impressed by the Mahila Congress delegation that came to meet us. Their principal concerns were employment for girls who are graduating from different courses, especially in pharmaceuticals and nursing. The demand for a Girl Scouts Brigade was universal and deserves implementation.

7. Finally, we propose to organize a women’s meeting in Srinagar in late February, at which we hope to bring together women from all districts of J&K as well as from groups working with women, to discuss some of the issues listed above. The Srinagar meeting should be the first of 4, to be followed by similar meetings in Jammu, Leh and Delhi (in Delhi we could take up the kind offer made by Gandhi Smriti and Darshan to help).

FOURTH VISIT: JANUARY 2011:

(A). Certain common features emerged from the discussions on a political settlement:

1. The settlement must treat Jammu and Kashmir as a single unit. There should be no bifurcation or trifurcation of the State (on this subject, different voices are heard in Leh);
2. The special status of Jammu and Kashmir guaranteed by Article 370 must not be disturbed;
3. Efforts should be made to vest the state’s constituent units with such powers that may be required to address the political, economic, social and cultural aspirations of the people;
4. Powers must be devolved to the constituent units in a multi-layered manner reaching down to the Panchayat level to allow for effective, democratic participation on development;
5. The exchange of people, goods and ideas across the LoC must be facilitated through hassle-free procedures;
6. The country’s internal and external security concerns must be fully factored into the political settlement.

(B). Rights of Gaddi and Sipi Tribes: Implement Reservation Policy:

1. Enquire into the causes of non-implementation of the reservation policy for the said ST communities so as to avoid such lapses that tarnish the credibility and image of the Governments;
2. Extend the socio-economic benefits to these communities as per the relevant reservation policy;
3. Suitably compensate the said communities for the loss of benefits due to lapses on the part of the implementing agencies.

(C). Promote Khadi and Gammodyog Institutions and KVIC Schemes as in North East States:

1. Given significant potential of Khadi and Village Industries for promoting employment and income generating activities, KVIC and the Ministry of Small and Medium Enterprises may be advised to design, develop and implement programmes for promotion of Khadi Institutions;
2. To consider establishment of a Wool Bank, location of KVIC's state office in Srinagar, inclusion of Kashmir embroidery in MDA programmes of KVIC and fiscal incentives on the pattern of North-East states;

(D). Rationalization of subsidies and fiscal incentives for Industrial Development:

1. In order to avail subsidy, the industrial and business organizations have to employ at least 90% of staff from the State of J&K itself whereas in certain disciplines and trades, professionally trained and technical proficient workers are not available locally. Hence, if they hire staff from outside the state, they are deprived of the benefits of industrial subsidy. Therefore, the norm of recruitment of 90% local staff should be relaxed in respect of requirements for technically and vocationally trained and skilled staff;
2. Commercial and industrial activities which have suffered during the turmoil/insurgency in the state should be provided with adequate incentives, like tax concessions and waiver of loans etc.

(E). Release of Salaries, Incentives:

1. Arrears of pay on account of enhanced salaries as per the recommendations of the VI Pay Commission to be released forthwith;
2. If necessary, the Centre may extend financial support at reasonable terms to the state to overcome the crisis.

FIFTH VISIT: FEBRUARY 2011:

(A). Security – related recommendations:

1. To end the intimidation and harassment of citizens by the police, the para-military and the army;
2. To release the stone-pelters and political detainees not charged with serious offences;
3. To speed up the trial of militants languishing in jail for many years by setting up fast-track courts;
4. To curb the indiscriminate use of the PSA;
5. To bring to book those responsible for human rights violations;
6. To re-deploy the army to the borders and place severe limits on the use of special powers vested in them;
7. To ensure that passports for Haj pilgrimage are delivered on time;
8. To stop the discrimination of family members who happen to be related to militants.

(B). Points of Consensus towards political settlement:

1. Political settlement will emerge from a sustained, serious, sincere and inclusive process of dialogue with all stake-holders (including separatists), civil society etc.
2. No political outfit, whether of the mainstream or the off-stream, could claim to be sole spokesman of the people of the Valley; let alone of the state as a whole.
3. Unity and territorial integrity will have to be preserved.
4. Special status of the state in the Indian Union.
5. Need to share legislative, executive, financial and administrative powers between the three regions, although political aspirations in the state are diverse and divergent.

6. Open as many routes as possible linking J&K with regions of the erstwhile princely state that has been under the de facto control of Pakistan.

(C). Non-political issues/recommendations:

1. Establish a grievances Redressal Commission – a quasi-judicial body – for settling claims of war/insurgency affected persons;
2. Reform education policy for increasing its responsiveness to the challenges of development faced by the State;
3. Constitute an Expert Committee on State Finances with a view to identify measures for (a) mobilization of resources from alternative resources, and (b) economy in expenditure on unproductive activities;
4. Review of poverty alleviation programmes;
5. Constitution of J&K Minority Commission;
6. Implementation of Supreme Court's decision on Reservation Policy for OBCs.

(D). Confidence-building measures:

1. Rehabilitation of the arrested youth – vocation training etc.
2. Allowing visit of social workers for providing temporary education to denus in jails
3. Organization of cultural and sports events and educational visits for the youths;
4. Providing support to the local NGOs and civil society groups doing good work in the areas of education, social welfare, drug de-addiction, rehabilitation, poverty reduction, arts and culture, etc.

SIXTH VISIT: MARCH 2011 :

Recommendations suggested during the women's meet:

1. A special task force, comprising of eminent women from all the three regions, should be set up to address the problems of women victims of violence – widows, half-widows and orphans, including relief for parents of the disappeared persons;
2. Urgent requirement of setting up a trauma counseling centres;
3. Redeployment of troops out of residential areas and removal of security installation in residential areas;
4. Stopping indiscriminate use of PSA;

5. Addressing the problems of migrants women, especially the Kashmiri Pandits, maybe through a respected NGO;
6. Special status for J&K, and along with that , internal devolution at the regional level, district and panchayat levels is a must;
7. Political settlement could be in two stages : special status with India, to be followed by an agreement with Pakistan as and when it comes on board;
8. Women to be involved in the dialogue towards peace process.

SEVENTH VISIT: APRIL 2011

Points of agreement that emerged:

1. The absolute imperative to maintain the unity and territorial integrity of J&K. Division along communal lines would spell havoc for the substantial minorities that are to be found in most districts.
2. The state must be vested with such powers as it needs under article 370 of the Indian Constitution which must be identified through intensive consultations within and between the three regions of the state, including the separatists;
3. Pluralism of political, social and economic and cultural concerns, interests and aspirations of the people of the state must be recognized and addressed;
4. Open all roads connecting J&K to PoK to end the state's isolation;
5. Political autonomy of the state would be incomplete without a strong economic content;
6. Release of stone-pelters and militants, arrested under PSA and AFSPA, against whom there are no serious charges;
7. Dialogue process between India and Pakistan should continue.

EIGHT VISIT: MAY 2011:

Following main issues emerged from the discussions with various groups:

1. There has to be visible change on the ground regarding the presence and conduct of the police, para-military forces and the army;
2. The application of PSA and other related acts needs to be thoroughly reviewed;

3. Special needs to be paid to youth, especially regarding their employment;
4. It is important to engage with the separatists;
5. A political settlement must emerge from within the State itself.

NINTH VISIT: JUNE 2011:

1. Payment of honorarium/salaries to Panches and Sarpanches ;
2. Sarpanches and panches demand transfer of administrative and financial powers, as under 73rd and 74th amendments;
3. Study tours to selected panchayats, for example, Himachal Pradesh, Goa and Rajasthan;
4. NREGA to give market rates;

TENTH VISIT: JULY 2011

During the two-day conference in Jammu on “Pluralism”, the following recommendations were evolved:

1. Bring together writers, poets, performing artists, painters, architects, heritage experts from all the three regions on the same platform in all major towns and cities both in the state and in the rest of the country;
2. Take steps to nurture all languages spoken in the State, especially through the state media;
3. Create institutions along the lines of Academies in Delhi and in the other states;
4. Promote cultural exchanges between J&K and the regions of the State under Pakistan’s administration;
5. Allow exchange of newspapers, periodicals and books between the two sides (LoC);
6. Restore museums to their pristine glory and, especially, at least one art gallery in Srinagar to exhibit works by contemporary painters and sculptors;
7. Allow TV channels from Pakistan to be seen in J&K;
8. Allow people in the state to reach out to people on the other side on the telephone.

ELEVENTH VISIT: SEPTEMBER 2011:

1. The Panches and Sarpanches emphasised on the need to strengthen Panchayati Raj in the State so that they can fulfill the promise they have made to the voters.
2. The powers they sought are the ones provided to their counterparts in other states under the 73rd and 74th amendment of the Indian Constitution. They also wanted remuneration to be provided to them along the lines provided to the other elected representatives of the people.
3. Sarpanches and Panches suggested to ameliorate the lot of people along the border areas and those living in remote, forested areas.
4. They proposed to improve governance at the local level and, in particular, highlighted the need for uniform criteria to provide employment opportunities for youth;
5. Specific issues concerning the welfare of people, including migrants, and development of the district should be looked into urgently.
6. As pointed out by MLAs, former MLAs and representatives of various political groups and civil society groups, Jammu region had suffered from discriminatory policies over several decades. This too needs to be looked into.
7. No political settlement in the State would be possible without placing the welfare of the people as main focus.
8. We have to set our sights firmly on the future – a future not burdened with the contentious baggage of history, the baggage of rival ideologies, political ambitions and narrowly-defined interests of this or the other stakeholder.
9. The political settlement issue should be addressed taking into account the diverse political, social, economic and cultural aspirations without disrupting the unity of the State and its special, constitutional status in the Indian Union.
10. A broad consensus to reach the solution, duly respecting people's entitlements viz. direct stake in power at every level of governance, the level of state, the region and the sub-regions

Annexure “E”

**DETAILS REGARDING NUMBER OF DELEGATIONS MET AT
PLACES VISITED BY THE INTERLOCUTORS**

Sl. No	Date(s) of Visit	Place(s)	Name of Delegation/Individual
1	October 2010	Jammu, Srinagar	Delegation from S.O.S. International, an Organization for PoK Refugees
2.			Meeting with Yusuf Tarigami, MLA, Kulgam
3			Meeting with Ab. Rashid, MLA, Handwara
4			Meeting with Mufti Md. Syed, Ms. Mehbooba Mufti
5			Visit to Srinagar Jail, Meeting with Naeem Khan, a youth
6			Meeting with Balraj Puri
7			Shri Teja Singh, former Addl. Chief Secretary & Chairman, J&K PSC
8			Members of Shia Federation, Jammu Province
9			Delegation of Hindu-Muslim Ekta Peace Foundation, led by Chairman, Mr. Umar
10			Delegation of Jammu Kashmir Vichar Manch
11			Delegation of Kashmir Minority Front
12			State Organizer, Congress Seva Dal
13			Members of SAWERA, NGO
14			Member of the Coordination Committee, Centaur Lake View Hotel
15			Delegation from Panun Kashmir
16			Delegation from Kashmir Minority Forum
17			Delegation of the Displaced Welfare Committee, Muthi Camp, Phase I Jammu
18			Delegation of the All Parties Sikh Coordination Committee
19	Nov 2010	Ladakh	Delegation of monks
20			Round Table with Autonomous Hill Development Council
21		Leh	Delegation of Ladakh Buddhist Association
22			Delegation of Mahila Congress
23			Delegation of PDP
24			Delegaton of NC
25			Delegation of BJP
26			Delegation of Muslim Minority

27			Visit to new housing blocks for flood affected
28		Kargil	Round Table with KAHDC
29			Delegation of Congress
30			Delegation of National Conference
31			Delegation of PDP
32		Baramulla	Delegation of Journalists
33			Delegation of Nambardars
34			Delegation of Transport Association
35			Delegation of Sikhs
36			Delegation of Sangrama
37		Anantnag	Round Table with members of the Bar Association, Political Parties, Community Organizations, Youth Associations (@ 100 people)
38		Bandipora	Round Table with Intellegentia (@ 100 people) chaired by MLA Nizamuddin Bhat
39		Handwara (Langate)	Public meeting with Langate organized by MLA Ab. Rashid (@ 3000 people)
40			Delegation of NC, PDP, Congress
41		Uri	Town Hall meeting organized by Minister Taj Mohiuddin (@150 people including Lawyers, media, youth, intelligentsia, Political parties members)
42	November 2010	Jammu, Srinagar	Mohammad Rafique Bhatt, Media Advisor and Columnist
43			Delegation of People for Education Research Scholarship Outward Nutrition
44			Meeting with students of Srinagar University
45			Delegation of the Pahari Forum
46			Delegation of the Jammu & Kashmir Youth Forum
47	December 2010	Jammu, Srinagar	<ul style="list-style-type: none"> - Meeting with State Women's Commission - Meeting with Women's Development Corporation - Meeting with State Human Rights Commision - Delegation led by Mr. Sunil Dimple, President, Jammu West Assembly Movement
48			Members of J&K Pahari Speaking People
49			Delegation of the J&K Awami National Conference

50			Interactive meeting with Vice-Chancellor, Academicians and Students at Kashmir University
51			Meeting with Shri Saifuddin Soz, President, J&K Pradesh Congress Committee
52			Meeting at Langate with MLA and other groups
53			Interaction with Vice-Chancellor, SKUAST, Islamic University and Central University
54			Delegation of the Displaced Kashmiri Pandits, Udhampur
55			J&K PoK Refugee Front-1947, 1965, 1971 – Delegation
56			Delegation of the Khalsa Democratic Front
57			Delegation of the Shiromani Akali Dal (Badal), Kashmir
58			Delegation of J&K Gujjar & Bakerwal Tahreek-e-Insaaf, led by Mohd. Aslam Kohli
59			Delegation led by Shri Anam Choudhary, President, All J&K Gujjars Conference
60			Delegation of All India Backward Classes Union Social, led by P C Patanjali, Former VC
61			Members of the Media Fraternity (Editors)
62			Meeting with the Heads of Security Agencies
63			Meeting with Prof. Varun Sahani, VC, Jammu University
64			Meeting with Dr B Mishra, VC Sher-e-Kashmir University of Agriculture Science and Technology, Jammu
65			Dr I A Humal, VC, Baba Ghulam Shah Badshah University, Rajouri
66			Meeting with representatives of NGOs
67			Delegation of Students Union
68			Meeting with the members of Bar Association, led by Mr Sunil Sethi
69			Meeting with Mr Satish Gupta, General Secretary, Jammu Chamber of Commerce and Industry and others
70			Delegation of Private Schools Management

71			Delegation of Backward Classes Welfare Organization led by Shri G A Kumar, Vice President
72			Delegation led by Mohd. Aslam Kohli, President, Jammu Migrants Front
73			Shri Bodh Raj Bhagat and others from J&K SC, SC & OBC Maha Sabha
74			Delegation from J&K Pradesh Congress Committee
75			Delegation of All J&K Gaddi & Sippi Tribes Welfare Association
76			Delegation of Pahari Cultural and Welfare Forum
77			Syed Mustakh Bukhari, VC, Advisory Board for Development of Pahari Speaking People, J&K State
78			Doctors Delegation led by Dr Mehraj-ud-Din Bhat
79			Students Delegation
80			Mr Nazir Gurezi, Member, J&K Legislative Assembly
81			Mr Mufti Mohd. Bashiruddin
82			Jamait Ahlihadith J&K, led by Shri Showkat Ahmad Shah, President
83			All J&K Contested Candidates Forum, led by Shri Abdul Rashid Lone, Chairman,
84			Industrialist's Association Khonmoh through Mr Abid Ali, President
85			Delegation from J&K Political Migrants Front
86			Retired Central Government Employees Welfare Committee, through Mr A Q Rathore, Chairman
87			J&K Chopan Welfare Association, delegation led by Mr Abdul Majid Chopan, General Secretary
88			J&K Physiotherapists Association through Dr Vimal Singh Manhas, President
89			Delegation of Pakistan Occupied Kashmir, Migrant United Front-1947
90			Delegation from the Chamber of Commerce & Industry led by President Y V Sharma

91			J&K People's Democratic Front, Shri Bhushan Gupta, General Secretary
92			Delegation of the All India Backward Classes Union, led by Prof Kali Dass
93			Delegation from Jammu State Morcha (P), led by Prof Virender Gupta
94			J&K Council for Human Rights, Kashmir Chapter, Dr Syed Najir Gilani
95			J&K Paryavaran (Environment) Sansthan, Shri Madan Dogra
96			All J&K Youth Welfare Organization, led by President
97		Rajouri-Poonch	Delegation led by President, Beopar Mandal, Rajouri
98			Delegation of the Gurudwara Prabandhak Committee, Rajouri
99			Mr Shafqat Wani, President, J&K Muslim Youth Federation, Rajouri
100			Delegation of the J&K Peace Forum, Rajouri
101			Delegation of Students, Rajouri, led by Mr Usman Gani
102			Group led by Mr A M Mir, ED, J&K Voluntary Health Development Association
103			Captain (Retd) Rattan Sharma, Distt. President, Sainik Cell, Rajouri
104			Mr Rajinder Gupta, Ex-President, Municipal Committee, Rajouri
105			Mr Bharat Bhushan and Maqbool Qazi, President, Terrorists Affected People Front
106			Delegation of NGO, Sangharsh, led by Mr Vikrant Sharma
107			Mr A K Sawhney, President, Jammu Newspapers Guild
108	January 2011	Srinagar, Udhampur, Jammu	Delegation of the Block Congress Committee, led by Mr Vijay Kumar Manhas, President
109			Delegation of Islamic Relief and Research Trust, led by Mr A R Hanjura, Advocate
110			Delegation of All Migrant Gramin Dak Sevak Families, led by Ms. Lalita Mattoo
111			Dr Desh Ram and others, All Migrant Camps Coordination Committee, Mishriwala Camp

112			Delegation of the District Udhampur Development Forum, led by Mr Rajinder Kumar, Advocate (President),
113			Vikram Singh Slathia and others on behalf of Lok Vikas Dal, NGO, Udhampur
114			Delegation of the Vichar Kranti Manch International
115			Delegation of the Associated Chambers of Commerce and Industry, Udhampur, led by S S Kalsotra
116			Delegation of the J&K Ex-Service League, Udhampur, led by Mr Balbir Singh Bhatyal, District President
117			Delegation of the Jagriti Old Age Home Udhampur
118			Delegation of the Amarnath Yatra Sangharsh Samiti
119			Delegation of Jammu Province People's Forum, led by Mr Paviter Singh, Retd. Judge
120			District Congress Committee, Udhampur, represented by Mr Anil Pachiala, Working President
121			Mr Kishan Chander Bhagat, Member, J&K Legislative Assembly
122			Teachers from Jammu University, led by Mr Dalip Singh Jaiswal
123			Delegation from Youth Democratic Front, Udhampur
124			Delegation of Kashmiri Pandit, Udhampur
125			Representatives of the Plywood Industries Workers Union, Pampore
126			Representatives of the J&K State Central Labour Union
127			Delegation of the J&K Khadi Grammudyog Federation, led by Mr M A Qureshi, Secretary
128			Members of the Jammu State Morcha (Progressive), led by Roshan Lal Gupta, General Secretary
129			Dr. K C Sharma, Guggar Haritage Society, Udhampur
130			Mr Dina Nath Bhagat, District President, Udhampur

131			Delegation of the Associated Chamber of Commerce & Industries, Udhampur, led by Mr Ashol Kumar Sehgel, General Secretary
132			Shri Swatantra Dev Kotwal of Citizens Advisory Council, Udhampur
133			Office of Haz & Auqaf, Syed Shaukeen Shah
134			J&K National Panthers Party, Mr Balwant Singh Mankotia
135			Organization of the Displaced Kashmiri Pandits, led by Mr Ashwani Bhat
136			Chaudhury M. Iqbal Phambra, State Advisory Board for Development of Gujjars and Bakerwals, Udhampur
137			INC, delegation led by Shri K C Bhagat
138			NC Party delegation, led by Shri Rajesh Gupta
139			BSP led by State Secretary and District President, Shri Dhani Ram Atri
140			Members of the G&B State Advisory Board, led by Ch. Mohd. Shafi
141		Delhi	Interactive Session with the students of Leh, Kargil and Ladakh at India International Centre
142	February 2011	Srinagar, Sopore, Jammu	Mr Rajiv Chunni along with other delegates from SOS International
143			Delegation of POK Displaced Persons Front led by Rachhpal Singh Chib
144			Mr Pavitter Singh, and others delegates from Jammu Province People's Forum
145			M/s Fayyaz Ahmad Bhatt, Ram Singh Chauhan, Sheikh Ab. Rehman from Samajwadi Party
146			Delegation from Nature-Mankind Friendly Global Movement, led by Mr Babu Singh
147			Mr Manish Gupta and other delegates from Early Times Newspaper
148			Delegation from Poonchi Brahaman Maha Sabha, Jammu
149			Delegation of Jammu West Assembly Movement, led by Mr Sunil Dimple
150			Mr Subhash Chander, Individual on behalf of Gujjars and Bakerwals
151			Prof Hari Om along with other delegates

152			Delegation from Khag District (Tehsil), Budgam
153			Delegation from the Kashmiri Pandit Amity Council, led by Sanjay Raina
154			Delegation from J&K Watan Parast Front, led by Mr Khalid Tufail
155			Mr Ghulam Mohammad Wani, Member RCM along with other delegates from National Union Postal Employees Group
156			Delegation from Valley Youth X-pressions led by M Ashraf Khan
157			Delegation from Peace Mission India, through Mr Rajan Katru
158			Prof Abdul Rashid Shawl and Gh. Nabi Qureshi, Individuals
159			Delegation of the Post and Telegraph Union led by Mr Reshi Tantray
160			Delegation from Kapra Group headed by Mr Muzaffar Bhat
161			Group of Media Persons from Dainik Bhaskar, Daily Excelsior, News-B, CNEB, etc
162			Ms. Rifat Jan, Yashmeen, Roohi & Gulshan-Individuals
163			Dr Sanaullah Kuchay from HMT Colony, HoD, Radiation Oncology-Individual
164			Delegation from Helpage Foundation-Ms Nikhat Pandit and Mr Iqbal
165			Delegation led by Shri G M Mir, Zonal President, PDP, Handwara
166		Sopore	Interlocutors called on the parents of Arifa and Akhter in Sopore
167			Interlocutors called on the parent of Manzoor Ahmad Magray at Chowgam, Handwara
168			Ms Fatima Tanveer
169			Mr Nazar Farooq, Vice President, Muslim League
170			Mr Abdul Qadir Dar, Pak released person (Individual)
171			Mr Nazir Ahmad Sheikh, President of Khag, Ex-militants and others
172			Mr Rao Ali, Journalist

173			Group of persons led by RTI Activist Mr Muzaffar Bhat
174			Members of the Handicapped Association
175			Mr Ghulam Hassan Dar, Individual
176			Mr Jeelani Zabarwan, Writer-Individual
177			Group of Ex-Militants led by Mr Nazir Ahmad Sheikh
178			Delegation of the Forum of Civil Liberties
179			Group of journalists led by Mohammad Tauseef, PPP
180			Group of people from Public Interest Litigation Forum, J&K High Court, led by Mr G M Wani
181			Meeting with Justice Bhashiruddin, Chairman, Human Rights Commission
182			Delegation of the J&K Waqf Board, led by Maulana Showkat
183			Mr Mohammad Yashin Malik, Public Commission of Human Rights
184			Delegation of the LoC Traders, led by Mr Asif Lone
185			Delegation of the Editors Association, led by Mr Rashid Rahil
186			Ms. Shamima Firdous, Chairperson, Women's Commission
187			Delegation from the Watan Parast (NGO), led by Mr Khalid Tufail
188	March 2011	Srinagar, Jammu	Conducted Women's Meeting in Srinagar inviting women from Jammu, Kashmir and Ladakh-members of J&K Government, legislator, political parties, civil society, opposition groups including Huriyat supporters and Minister of Social Welfare
189	April 2011	Srinagar, Doda, Kishtwar, Jammu	Two-Day Interactive Conference with Intellectuals at SKICC
190			Group of MLAs led by Shri G M Saroori
191			Delegation of the Congress Party, led by Shri Haji Ghulam Hassan Mir

192			Delegation of the National Conference, led by Shri S A Kichloo
193			Delegation of the PDP, led by Syed Asgar Ali
194			Delegation of the BJP, led by Capt Hukum Chand
195			Delegation of the Panthers Party, led by Mr Anil Parihar
196			Delegation of the BSP led by Capt Dewan Chand
197			Delegation of the Sanatan Dharam Sabha, led by Shri R K Badyal
198			Delegation of Imams, led by Shri Farooq Ahmad, Imam, Jama Masjid, Kishtwar
199			Delegation of the Hill Development Council, led by Shri Noor Hussain Malik
200			Delegation of the SC Senior Citizen Retd. Employees Forum, led by Shri J R Aryan
201			Delegation of the Kishtwar Muslim Welfare Forum led by Shri Khursheed Ahmed Dev
202			People from NGO (Ashiana), led by Shri Sanjiv Parihar
203			Group of persons from J&K Yateem Foundation (NGO), led by Sheikh Abdul Hamid Kamal
204			Residence of Dachhan led by Haji Ghulam Hussain
205			Trade Association, Kishtwar, led by Shri Rakesh Gupta
206			Delegation of the Vishva Hindu Parishad, Kishtwar, led by Shri Rajinder Singh
207			Delegation of the Anjum-e-Islamia, Doda
208			Delegation of the All Party Action Committee for Chenab
209			Delegation of the PDP Block, Thatari
210			Delegation of the Chenab Valley Coalition Civil Society, Doda
211			Delegation of the Doda Welfare Society
212			Delegation of the Bahujan Samaj Party, Doda
213			Delegation of the All India Backward Classes Union, Jammu

214			Delegation of the Kishtwari Socio-Culture Forum, Kishtwar
215			Group of persons from the Vishwa Shanti (NGO), Matta
216			Mr Khursheed Ahmad, Advocate, Kishtwar
217			Delegation led by Mr M YLone, Social Activist, Doda
218			Delegation of the All India Human Rights Association, Jammu
219			Delegation of the Dehati Forum, Doda
220			Group of people from Anjuman-e-Islamia, Bhaderwah
221			Group of persons from the United Muslim Council, Kishtwar
222			Delegation of the Bar Association, Jammu
223			All J&K Christian Minority Welfare Association, led by Shri Nasri Masih, Chairman
224			Mr Surender Ambardar of Subah Foundation
225			Maulvi Abbas Ansari of Huriyat Conference
226			Interactive meeting with students (150) at SKICC
227			Group of Industrialist led by Mr Rishi
228			Delegation of the Akhil Bhartiya Gujar Mahasabha led by President
229			Interactive meeting with the Lawyers at Jammu
230			Mr Abdul Majid Wani, Member, J&K, Legislative Assembly, Doda
231			Brainstorming meeting with National Security Advisory Board, New Delhi
232	May 2011	Delhi	Interactive meeting with Journalists from J&K in Delhi at Jaisalmer House
233		Srinagar, Jammu	Conference of the Peace Foundation at SKICC
234			Mr Ghulam Hasan Dar, Ex-DFO
235			Mr Yusuf Tarigami, CPM
236			Mr Ashok Bhan and Mr Abdul Salam Rather, Advocates
237			Interaction with Ms. Jodha Ficher, Civil Society

238			Meeting with Nizamuddin Bhat
239		Pulwama	Delegation of Akhil Bhartiya Gujjar Maha Sabha, led by Mr Poswal
240			Shri Ghulam Nabi Ratanpur, MP at Pulwama
241			Falahai Behboodi Committee, Pampore, led by Shri A S Majrooh, General Secretary
242			Saffron Youth Club led by Mohammad Ashraf Bhat
243			Youth Welfare Society; Pampore/ Tral/ Awantipora/ Kakapora/ Rajpora, led by Mohammad Shafi Shah
244			Civil Society Committee led by Mr Mohan Singh
245			Hindu Welfare Society delegation, led by Mr A K Rajpori
246			Delegation of KMD Association and other Transport Associations led by Ali Mohammad Zaffar
247			Delegation of Women Organization, led by Nahida Soz
248			Delegation of Social Welfare Organization, led by Mr Gamgeen Majid
249			Delegation of Industrialists Association of Khonmoh led by Mr Shabir
250			Meeting with Social Organization (NG) led by Mr Sanjay Tikkoo
251		At Charar-e-Sharief	Delegation of RTI Activists led by Muzaffar Bhat
252			Delegation of Panches and Sarpanches, Charar-e-Sharif
253			Delegation of students union led by Mohammad Yasin
254			Delegation of NCP, PDP and Congress
255			Visit to Kashmiri Pandits Transit Housing, led by Mr Moti Lal Bhat
256			Delegation of Student Community of Kashmir University at SKICC
257		At Srinagar	Delegation of the Kashmir People Welfare Organization
258			Meeting with Director General Police
259			Delegation of the Saffron Growers Association led by Javaid Ahmad

260			Mr G M Wani, Advocate, PIL, High Court
261			Meeting with the Chief Information Commissioner
262	June 2011	Srinagar	-Interaction with students of Kashmir University -Interaction with students of SP College -Interaction with students of Women's College
263			Interactive meeting with Sarpanches (10-Srinagar, 10- Badgam and 10-Ganderbal)
264			Visit to Vessu Kashmiri Pandits Transit Accommodation
265	July 2011	Srinagar, Anantnag, Kulgam, Kathua, Ramban, Riasi and Jammu	Interactive meeting with Panches and Sarpanches of Anantnag (42)
266			Interactive meeting with Panches and Sarpanches of Kulgam District (Total 46)
267			Delegation of Gujjars and Bakerwals of J&K
268			Delegation of the Kashmir Peoples Welfare Forum
269			Delegation of the Communist Party
270			Delegation of the Bahujan Samaj Party
271			Delegation of the Internationalist Democratic Party
272			Delegation of the Jammu State Morcha (P)
273			Delegation of the Ladakh Buddhist Association
274			Mr Devinder Singh Bindu, NC Candidate, Kathua
275			Delegation of the West Pakistani Refugee Action Committee (1947)
276			Delegation of the Dogra Sanstha
277			Delegation of the Bar Association (Kulgam) led by Shri A R Mushtaq
278			Delegation of the People of Gool-Aranas, Ramban
279			Delegation of the Block Congress Committee, Reasi
280			Delegation of the Gurudwara Prabhandhak Committee, Kathua

281			Delegation of the Bhartiya Janata Party, Kathua, led by Shri Ramesh Kumar, Distt President
282			Delegation of the National Panthers Party, Kathua, led by Shri Suraj Singh, Advocate
283			Delegation of the Peer Panjal Regional Forum led by Shri Liaqut Chowdhary
284			Shri Ajaz Ahmad Khan, Hon'ble Minister for Haj and Auqaf
285			Shri Ashok Kumar, MLA, Ranban
286			Shri Vikar Rasool, MLA, Banihal
287			Delegation of the RSS led by Shri Mohan Lal
288			Delegation of the PDP led by Abdul Ahad Wani, District President
289			Delegation of Senior Citizens led by Shri A G Manshoor
290			Delegation of Beoparmandal led by Mr Ved Bhushan
291			Delegation of the SC/ST led by Hajji Mohd. Yaqoob
292			Delegation of the Hill Development Council led by Shri Arshad Malik
293			Delegation of NGOs led by Mohd. Arif Wani
294			Delegation of Journalists led by Shri R K Kichloo
295			Delegation led by Mirza Abdul Khurshid, Ex-Speaker and Minister, Rajya Sabha
296			Delegation of Al Huda Educational Trust, Rajouri, led by Amir Mohd. Shamsi
297			Delegation of the Ex-Municipal Councillars Association led by Mr Rajinder Gupta
298			Delegation of the District Refugee People led by Mr Mohinder Prakash
299			National Forum for Peace for Human Rights led by Mr Vivek Gupta
300			Delegation of the Pahari Cultural and Welfare Forum led by Mohd. Akram Khan
301			Delegation of the Terrorists Affected People Front led by Mr Shafi Dar
302			Delegation from Sandarsh (NG) led by Mr Suresh Kumar

303			Delegation of the Rajouri-Poonch United Front, led by Farooq Khan
304			Delegation of the Gujjar Welfare Forum led by Ch. Qamer
305			Delegation of the Scheduled Caste led by Mr Yoginder Paul
306			Vibhag Sanchalak RSS, VHP, led by Sat Paul
307			Abdul Majid, District President, OBC
308			Jawaharnagar People Forum led by Vijay Raizada
309			Delegation of the Pahari Cultural and Welfare Forum led by Shri Tilak Raj
310			Delegation of the Retired Soldiers led by Shri Rattan Sharma
311			Delegation of the Young Men's Association, Rajouri, led by Shakoor Ahmed Mir
312			Delegation of the Trade Association, led by Sajad Ahmad Bhat
313			Delegation of the Muslim Navjawanane led by Ahsan Mirza
314			Delegation of the Gujjar Islahi Forum led by Dalip Kumar Jamwal
315			Delegation of the Migrant Association led by Baisakhi Ram
316			Delegation of the Stone Fruit Grower Association led by Tilak Raj Sharma
317			Members of the Civil Society of Thanamandi led by Khurshid Bismal
318			Members of the Muslim Coordination Committee, led by Abdul Qayoom
319			NGOs Forum led by A S Bahar
320			Delegation of the Muslim Youth Front led by Zahoor Bhat
321			Tribal United Forum Delegation led by Mohd. Hanif Kalas
322			Delegation of the Press Council, Rajouri led by Avinash Jasyal
323			Delegation of the Pahari People's Movement led by Shabaz Khan
324			Members of BLD Trust Koternka led by Ch.Mohd.b Shafi

325			Delegation of the National Conference, Reasi, led Jag Jeevan Lal, former Minister
326			Congress Party delegation led by Jugal Kishore Sharma, Ex-Minister
327			Delegation of BJP led by Mr Kabla Singh, District President
328			Delegation of the PDP led by Bansilal Thakur, President
329			Delegation of the OBC led by Bansilal Choudry
330			Delegation of the Panthers Party led by Balwan Singh, District President
331			Delegation of the Bar Association led by Vijay Sharma, Advocate
332			Delegation of the Migrants Forum led by Balwan Singh
333			Members of the Traders' Association led by Jodh Singh
334			Members of the Art & Culture Organization led by Bansilal Kerni
335			Delegation of the Peace Forum led by Narinder Sharma
336	September 2011	Jammu/ Samba	Panches and Sarpanches of Samba District(300)
337			Delegation of the Bahujan Samaj Party
338			Delegation of Gujjars and Bakerwals
339			Delegation of the Panthers' Party
340			Delegation of the Internationalist Democratic Party
341			Delegation of the Shri Amar Kshtriya Rajput Sabha
342			Delegation of the Peoples' Forum of Human Values
343			Delegation of the Bhartiya Janata Party
344			Delegation of the Seema Jan Kalyan Samiti
345			Delegation of the National Conference Party
346			Delegation of the PDP
347			Delegation of the Congress Party
348			Delegation of the Maheshwar Group, NGO
349		Shopian	Delegation of Panches and Sarpanches (250)
350			Delegation of the Congress Party
351			Delegation of the National Conference Party

352		Baramullah	Delegation of Sarpanches/ Panches (250)
353			Delegation of the Congress Party
354			Delegation of the National Conference
355		Kupwara	Meeting with Sarpanches/ Panches (300)
356			Meeting with the MLC, Kupwara
357			Delegation of Pahari Forum

**ITEMS TRANSFERRED TO THE GILGIT-BALTISTAN
LEGISLATIVE ASSEMBLY AND COUNCIL UNDER THE
2009 REFORMS
THIRD SCHEDULE
COUNCIL LEGISLATIVE LIST**

[See Article 47(2) (a)]

1. Post and telegraphs, including telephones, wireless, broad-casting and other like forms of communications; Post Office Saving Bank.
2. Public debt of the Council, including the borrowing of money on the security of the Council Consolidated Fund.
3. Council public services and Council Public Service Commission.
4. Council pensions, that is to say, pension's payable by the Council or out of the Council Consolidated Fund.
5. Administrative courts for Council subjects.
6. Council agencies and institutions for the following purpose, that is to say, for research, for professional or technical training, or for the promotion of special studies.
7. Nuclear energy, including.-
 - (a) mineral resources necessary for the generation of nuclear energy;
 - (b) the production of nuclear fuels and the generation and use of nuclear energy; and
 - (c) ionizing radiations.
8. Aircraft and air navigation; the provision of aerodromes; regulations and organization of air traffic and of aerodrome.
9. Beacons and other provisions for safety of aircraft.
10. Carriage of passengers and goods by air.
11. Copyright, inventions, designs, trademarks and merchandise marks.
12. Opium so far as regards sale for export.
13. Banking, that is to say, the co-ordination with the Government of Pakistan of the conduct of banking business.
14. The law for insurance and the regulation of the conduct of insurance business.
15. Stock-exchange and future markets with object and business not confined to the areas comprising Gilgit-Baltistan. .

16. Corporations, that is to say, the incorporation regulation and winding up of trading corporations including banking, insurance and financial corporations, but not including corporations owned or controlled by the Provincial Government of Gilgit-Baltistan and carrying on business, co-operative societies, and of corporations, whether trading or not, with object not confined to the Gilgit-Baltistan, but not including universities.
17. Planning for economic coordination, including planning and coordination of scientific and technological research.
18. Highways, continuing beyond the territory of the Gilgit-Baltistan excluding roads declared by the Government of Pakistan to be strategic importance.
19. Council surveys including geological surveys and Council meteorological organizations.
20. Works, lands and buildings vested in, or in the possession of the Council, for the purpose of the Council (not being Military, Naval or Air Force works), but as regards property situated in the Gilgit-Baltistan, subject always to law made by the Legislative Assembly, save in so far as law made by the Council otherwise provides.
21. Census.
22. Establishment of standards of weights and measures.
23. Extension of the powers and jurisdiction of members of a police force belonging to the Gilgit-Baltistan or any Province of Pakistan to any area in such Province or the Gilgit-Baltistan, but not so as to enable the police of the Gilgit-Baltistan or such province to exercise powers and jurisdiction in such Province or the Gilgit-Baltistan without the consent of the Government of that Province or the Gilgit-Baltistan; extension of the powers and jurisdiction of members of a police force belonging the Gilgit-Baltistan or a Province of Pakistan to railway areas outside the Gilgit-Baltistan or that Province.
24. Election to the Council.
25. The salaries, allowances and privileges of the members of the Council and Advisors.
26. Railways.
27. Mineral oil natural gas; liquids substances declared by law made by the Council to be dangerously inflammable.
28. Development of industries, where development under Council control is declared by law made by Council to be expedient in the public interest.
29. Removal of prisoners and accused persons from the Gilgit-Baltistan to Pakistan or from Pakistan to the Gilgit-Baltistan.
30. Measures to combat certain offences committed in connection

- with matters concerning the Council and the Government and the establishment of police force for that purpose or the extension to the Gilgit-Baltistan of the jurisdiction of police force established in Pakistan for the investigation of offences committed in connection, with matters concerning the Government of Pakistan.
31. Prevention of the extension from the Gilgit-Baltistan to Pakistan or from Pakistan to the Gilgit-Baltistan of infections or contagious diseases or pests affecting men, animals or plants.
 32. Boilers.
 33. Electricity and bulk water storage.
 34. Newspapers, books and printing presses.
 35. Works, lands and buildings vested, or in the possession of Government for the purpose of Gilgit-Baltistan Council (not being air force, military or navel works) save in so far as the Council Act otherwise provides.
 36. Curriculum, syllabus, planning, policy, centers of excellence and standards of education.
 37. Sanctioning of cinematography films for exhibition.
 38. Tourism.
 39. Forest.
 40. Minerals and Mineral Wealth.
 41. Duties of customs, including export duties.
 42. Duties of excise, including duties on salt but not including duties on alcoholic liquors, opium and other narcotics.
 43. Taxes on income other than agricultural income.
 44. Taxes on corporations.
 45. Taxes on the sale and purchases of goods and services imported, exported, produced, manufactured or consumed.
 46. Taxes on the capital value of the assets, not including taxes on capital gains on immovable property.
 47. Taxes and duties on the production capacity of any plant, machinery, under taking, establishment or installation in lieu of the taxes and duties specified in entries 42 and 43 or in lieu of either or both of them.
 48. Terminal taxes on goods or passengers carried by railway or air, taxes on their fares and freights.
 49. Fees in respect of any of the matters enumerated in this list, but not including fees taken in any court.
 50. Jurisdiction and powers of all courts with respect to any of the matters enumerated in this list.
 51. Offences against laws with respect to any of the matters enumerated in this list.

52. Inquiries and statistics for the purpose of any of the matters enumerated in this list.
53. Matters which under the Act are within the legislative competence of the Council or relates to the Council.
54. Matter incidental or ancillary to any of the matters enumerated in this list.

FOURTH SCHEDULE
ASSEMBLY LEGISLATIVE LIST
[See Article 47 (2) (b)]

1. Public order (but not including the use of Naval, Military, Air Force, or any other armed forces of the Federation in aid of the civil power).
2. Preventive detention for reasons in connection with the maintenance of public order; persons subjected to such detention.
3. Prisons, reformatories, borstal institution and other institutions of a like nature and persons detained therein, arrangements with other provinces for the use of prisons and other institutions.
4. Land, that is to say, rights in or over land; land tenures, including the relation of landlord and tenant, and the collection of rents; transfer, alienation and devolution of agricultural land; land improvement and agricultural loans; colonization.
5. Land revenue, including the assessment and collection of revenue, the maintenance of land records, survey for revenue purpose and records of rights and alienation of revenues.
6. Works, lands and buildings vested in or in the possession of the Gilgit-Baltistan Administration.
7. Compulsory acquisition or requisitioning of property.
8. Agriculture, including agricultural education and research protection against pests and prevention of plant diseases.
9. Local Government, that is to say, the constitution and powers of municipal corporations, improvement trusts, district council's settlement authorities and other local authorities for the purpose of local self-government or village administration.
10. Preservation, protection and improvement of stock, and prevention of animal diseases; veterinary training and practice.
11. Pounds and the prevention of cattle trespass.
12. Drinking water supplies, irrigation and canals, drainage and embankments; flood control.
13. Libraries, museums and ancient and historical monuments.
14. Botanical, zoological and anthropological surveys.

15. Theaters; cinemas; sports; entertainments and amusements.
16. Public health and sanitation; hospitals and dispensaries.
17. Registration of births and deaths.
18. Burials and burial grounds; cremations and cremation grounds.
19. Relief of the disabled and un-employed.
20. Intoxicating liquors, that is to say, the production, manufacture, possession, transport, purchase and sale of intoxicating liquors and other narcotic drugs.
21. Markets and fairs.
22. Money lending and moneylenders; relief of indebtedness.
23. Protection of wild animals and birds.
24. Prevention of cruelty to animals.
25. Adulteration of food-stuff and other goods.
26. Betting and gambling.
27. Fisheries.
28. Professions.
29. Inns and in-keepers.
30. Orphanages and poor houses.
31. Taxes on agricultural income and on the value of agricultural land.
32. Lunacy and mental deficiency including places for reception of treatment of lunatics and mental deficient.
33. Duties in respect of succession to agricultural land.
34. Estate Duty in respect of agricultural land.
35. Taxes on lands and buildings.
36. Taxes on advertisement.
37. Taxes on goods and passengers carried by road or on inland waterways.
38. Taxes on vehicles, whether mechanically propelled or not, suitable for use on a road; on boats, launches and steamers on inland water; on tram cars.
39. Taxes on animals and boats.
40. Tolls.
41. Capitation taxes.
42. Taxes on luxuries, including entertainments and amusements. Taxes.
43. Taxes on profession, trades, callings and employment.
44. Relief of poor; un-employment.
45. Offences against laws with respect of any of the matters in this list.
46. Inquiries and statistics for the purpose of any of the matters in this list.

47. Cesses on the entry of goods into a local area for consumption, use or sale therein.
48. The salaries, allowances and privileges of the Speaker, Deputy Speaker, Chief Minister, Ministers and Members of the Assembly.
49. Dues on passengers and goods carried on roads or inland water-ways.
50. Management of Gilgit – Baltistan Consolidated Fund.
51. Environmental pollution and ecology.
52. Population planning and social welfare.
53. The setting up and carrying on of labour exchanges, employment information bureaus and training establishments.
54. Regulation of labour and safety in mines and factories.
55. Trade unions; industrial and labour disputes.
56. Gilgit–Baltistan public services and Public Service Commission.
57. Gilgit–Baltistan pensions, that is to say, pension payable out of Gilgit–Baltistan Consolidated Fund.
58. Administrative Courts for subjects within purview of Gilgit – Baltistan Legislative Assembly.
59. Gilgit–Baltistan agencies and institutions for the following purpose, that is to say, for research, for professional or technical training, or for the promotion of special studies.
60. Fees in respect of any of the matters enumerated in this list, but not including fees taken in any court.
61. Jurisdiction and powers of all Courts with respect to any of the matters enumerated in this list.