

India's hardening policies towards terrorism and Pakistan

After the April–May 2025 clash with Pakistan, India's leader announced a significant policy shift, promising decisive retaliation to terror attacks against Indians, ending engagement with Pakistan until violence ceases and framing future talks strictly around terrorism and territorial claims.

“
The events of April and May, along with India's declaration that another Pakistan-based terror attack would be considered an 'act of war', suggest a long-term revival in the intensity of many of the conflicts at the heart of the India–Pakistan relationship.

In his first national address following the four-day conflict with Pakistan that occurred from 7–10 May 2025, India's Prime Minister Narendra Modi described the contours of the 'new normal' that would define the post-crisis period. These remarks signalled an unprecedented shift in India's policy on Pakistan towards more coercive diplomatic, economic and military measures. The intense crisis in May followed a terrorist attack on 22 April, when an offshoot from Lashkar-e-Taiba, the Islamist terror group based in Pakistan, killed 26 civilians in Pahalgam, a town in India's Kashmir valley. In his speech, Modi said that:

- Any further attacks against Indians would trigger decisive strikes against militant bases;
- His government would not countenance 'nuclear blackmail';
- His government would not differentiate between government sponsorship of terrorism and the 'masterminds of terrorism', implying that India will assume Islamabad is implicated in all terrorist attacks against India;
- India will not trade, share water or hold talks with Pakistan until attacks end; and
- That if talks are held, they will focus narrowly on returning militants to Pakistan, or on Pakistan-controlled Kashmir being returned to India.

The events of April and May, along with India's declaration that another Pakistan-based terror attack would be considered an 'act of war', suggest a long-term revival in the intensity of many of the conflicts at the heart of the India–Pakistan relationship that, in recent years, the parties had navigated with relatively less rancour. A persistent downturn in relations would portend the Kashmir issue being internationalised, as long sought by Pakistan, and increase the risk of India attracting international opprobrium for adopting uncompromising positions.

The May conflict

In the Pahalgam attack – amid failures of Indian intelligence and policing – two militants from Pakistan along with two locally recruited Kashmiris targeted a group of Hindu male tourists, killing 26 people, including one Christian and one Kashmiri Muslim. Blaming Pakistan, India began striking specific militant sites in Pakistan and Pakistan-controlled Kashmir on 7 May using stand-off air-to-surface missiles, loitering munitions and smart bombs. This led to an exchange of drones and missiles.

The 88-hour conflict was the most significant military escalation between the countries in decades and risked escalating into a full-fledged war between the two nuclear-armed states. The boldness of India's choice of targets was unprecedented; these included nine militant sites, with some in Pakistan's heartland province of Punjab, and at least eight major air bases, including Nur Khan in Rawalpindi and Mushaf in Sargodha. India's three military branches sought escalation dominance against the Pakistani military throughout the conflict. Pakistan's attacks were also unprecedented, with missiles and drones targeting civilian sites in India's Punjab, Rajasthan and Gujarat states, downing Indian combat aircraft and targeting air bases in Udhampur, Pathankot, Adampur and Bhuj.

The ceasefire that took hold on 10 May ended the immediate crisis, but amid a sea of propaganda produced by both governments and their respective media organisations, differing narratives emerged as to what had occurred, enabling both countries to proclaim a military victory.

India has taken several non-military actions against Pakistan, including downgrading diplomatic ties and downsizing diplomatic missions that had already been at half of the mandated strength since June 2020 and without heads of mission since August 2019. India also closed the

Wagah–Attari border crossing and banned the importation of goods from Pakistan. Trade had, in any case, been minimal; in 2022–23, India exported US\$627.1 million in goods to Pakistan and imported US\$20.1m. Pakistan reciprocated with several similar non-military actions.

Counter-terrorism

India's early morning strikes on 7 May focused on militants rather than civilians or military infrastructure. At least five top militants from Lashkar-e-Taiba and Jaish-e-Mohammed, another group that has targeted Indian civilians, were killed; these reportedly included Mudassar Khadian Khas, who was responsible for the terrorist-training centre Markaz Taiba, and two brothers-in-law of Masood Azhar, the Jaish-e-Mohammed leader, who were involved in financial operations and weapons training. India claims that some 100 people were killed in the strike, with Pakistan claiming, in contrast, that only 40 people – all civilians – were killed during the entirety of the conflict.

Yet the leaders of Lashkar-e-Taiba and Jaish-e-Mohammed remain alive and at large in Pakistan and have vowed to retaliate against India. Another Pakistan-based terror attack against India therefore appears likely in the short term, unless the Pakistani security establishment actively and visibly takes action against them. At the IISS Shangri-La Dialogue in Singapore on 31 May, India's Chief of Defence Staff Anil Chauhan stated that the country had drawn a 'new red line' of intolerance against terror, bolstering Modi's statement. Indian Defence Minister Rajnath Singh warned separately that India would respond to another terror attack with escalation, with the Indian Navy 'in the opening role'; he noted that had naval forces joined the last conflict in full form, Pakistan would have been broken into 'four parts'.

The Indus Waters Treaty

India's first major action following the Pahalgam attack was to hold the Indus Waters Treaty 'in abeyance' with immediate effect. This suspended the 64-year-old water-sharing agreement brokered by the World Bank, likely until Pakistan meets India's demand that it 'credibly and irrevocably' abjures support for cross-border terrorism. Prior to Pahalgam, India had been attempting to start negotiations with Pakistan to modify the treaty in view of the new realities of climate change, population growth and hydropower technology, but had been rebuffed by Islamabad.

India has never before suspended the treaty, refraining from doing so during the 2001–02 military confrontation and after the Mumbai

terror attack in November 2008. After the Pulwama attack in February 2019 that killed 40 Indian paramilitary personnel in Kashmir, India decided to withhold data from Pakistan not explicitly demanded in the treaty.

India is not capable of immediately cutting off or diverting water on its three western rivers – the Indus, Chenab and Jhelum – from which most waters flow to Pakistan. This would require massive new water storage and tunnel infrastructure. But it can cause severe disruptions in Pakistan's irrigation planning and disaster preparedness, thereby negatively affecting agriculture.

India reportedly has taken 'short-term punitive action' on the Chenab River to restrict water flows to Pakistan's Punjab province, closing the sluice gates of the Salal and Baglihar hydropower dams to store water in their reservoirs that had been emptying as part of a de-silting process. This action could reduce water flows during the sowing of crops in June and July such as cotton, rice, maize and sugarcane. Unexpected dips in water flows from October to December could also affect the sowing of Pakistan's winter season crops, such as wheat. Hydropower production would also suffer during low-flow periods. In the short term, India is reportedly accelerating the construction of reservoir and hydropower projects on the Indus, Chenab and Jhelum rivers. This could affect all crop yields within three to five years.

Pakistan views these actions as an existential threat, given that it depends on the Indus River basin for 80% of its irrigation and a third of its hydropower production. Islamabad strongly rejected India's suspension of the water treaty as 'unilateral and illegal', as there is no withdrawal clause in the treaty, with modification or termination possible only by mutual agreement. Pakistan's National Security Committee emphasised that any attempt to stop or divert the flow of water to Pakistan would be considered 'an act of war' warranting a 'full force' response 'across the complete spectrum of national power' – an allusion to nuclear weapons.

In late May 2025, Pakistan's Prime Minister Shehbaz Sharif stated that the country was ready to talk with India on water issues as well as trade and counter-terrorism. China could decide to intervene in support of Islamabad by putting pressure on India's water supply. India is downriver from China along the Brahmaputra. Although this river supplies nearly 30% of India's fresh water and provides 44% of its total hydropower potential, almost three-quarters is fed by snow melt, rain and tributaries located in India. Since 2022, China has not shared data related to water flows essential for India's flood forecasting and water management.

International opinion

International actors widely condemned the Pahalgam attack, with many overtly stating that India had a right to defend itself against terrorism. Yet no country except India stated openly that Pakistan bore responsibility for the attack. Attribution has been made more difficult by the perpetrators escaping, and there is no evidence (at least in the public domain) of electronic communications linking them to Pakistani officials.

Pakistan's claim that its armed forces downed six Indian military aircraft dominated expert commentary about the crisis as it unfolded, with Western media keen to assess the result of the first kinetic military encounter between Chinese and Western (including Russian) defence technologies. Indian officials have mildly rebuffed claims made by American government officials – including President Donald Trump – of having brokered the 10 May ceasefire. India's own narrative – which emphasised the success of strikes against militants, its ability to overwhelm

Pakistan's air defences on the night of 9 May and how the US intervention focused on Pakistan rather than India – has, in comparison, lost out in terms of the international understanding of the crisis.

India has sent seven high-level, multiparty delegations to 32 countries to promote its narrative, targeting countries that it believes might be willing to take steps to undermine Pakistan's support for cross-border terrorist attacks. One step could be returning it to the grey list of the Financial Action Task Force, an inter-governmental organisation which counters money laundering and terrorist financing. Subsequently, Pakistan sent a high-level delegation, including four former foreign ministers, to Washington, London and Brussels. The group is seeking an urgent resolution of the Kashmir dispute in line with United Nations Security Council resolutions, warning that continuing tensions with India threaten regional peace and security. This raised the contradiction between India's efforts to globalise counter-terrorism against Pakistan and an internationalisation of the Kashmir issue.

Outlook

India's hardened counter-terror policy is calibrated to challenge Islamabad's support for terror groups and its willingness to provide capabilities used to target Indians. Previously, New Delhi pursued this goal by isolating Pakistan diplomatically. The new policy involves the proactive use of coercive measures to discourage Islamabad from supporting terrorism and censure it abroad, even at the risk of 're-hyphenating' India–Pakistan relations – such that other countries must deal with them jointly rather than individually – or internationalising the Kashmir issue. India's earlier position that 'terror and talks cannot go together' is also evolving. In a cryptic remark in his 12 May address to the nation, Modi indicated that the 10 May ceasefire proceeded on the basis of an agreement that Pakistan 'not indulge' further in any terror activities or military moves; such an understanding may have been achieved via discreet contact and communication between the two security establishments.

Pakistan has long relied on 'semi-state' actors as instruments of state policy to counter India's dominance in many domains. These groups and organisations have over the years taken on social

and charitable forms to increase their support and standing within the local community. It was not surprising that serving army and police personnel were present at some of the funerals of those killed in India's counter-terror strike. More broadly, the Pakistan Army – now led by five-star Field Marshal Asim Munir – and Air Force have been bolstered by the conflict, achieving newfound popularity in a country unified by the crisis.

India's profile and influence on the world stage would suffer if its actions regarding the Indus Waters Treaty produce a humanitarian crisis in Pakistan. Such an outcome would, for the first time, take India's fight to Pakistan's civilians, who would unite strongly against it. But if the Pakistani security establishment were to shutter militant groups threatening India, New Delhi would likely ease the restrictions on Pakistan's water supply while still seeking treaty revisions that Pakistan opposes. In this context, private and informal dialogues between influential Indian and Pakistani retired officials and experts held in third-party countries would appear to be one of the few avenues available for them to discuss ways of diffusing this sharp dispute and improving regional stability.

