

EMERGING SECURITY CHALLENGES TO INDIA: RAMIFICATION FOR ECONOMIC DEVELOPMENT

Dr. Pankaj Dodh¹

Abstract

India is the world's largest democracy and one of its fastest growing economies. A 2010 joint study by the U.S. National Intelligence Council and the European Union declared it the world's third-most powerful nation. International Monetary Fund calls India "the bright spot in the global landscape". India is the world's third largest economy and its 10th fastest growing economies with an annual growth of 7.8 per cent. India, today hosts the third largest numbers of dollar billionaires in the world. It is true that poverty declined to a record 22 per cent in 2011-12 as compared with 37.2% in 2004-05 and 29.8% in 2009-10. However, economic disparities and regional imbalance has emerged a serious challenge to both the security and prosperity of the country today. In fact, top ten per cent controls 73.5 per cent of national wealth by the year 2014 which was 65.8 per cent in the year 2000. Similarly, India's top one per cent is occupies 48 per cent. Similarly, the phenomenon of globalization has further widened the income related gap between urban and rural people. Alarmingly, out of the total 269.3 million poor in the country 216.5 reside in rural areas. More importantly, the scourge of terrorism and naxalism are the gravest threats that pose to the security and economic modernisation of India Today. In fact India experienced the fourth largest numbers of terrorist attacks after Iraq (24 per cent of terrorist incidents), Pakistan (19 per cent), Afghanistan (12 per cent) and India (5.8 per cent)". The paper seeks to highlight the contour of economic development in India. The study would analyse the major national security threats to India and their ramification for economic development.

Key Words: National Security, Naxalism, Terrorism, Insurgency, Economic Development.

¹ **Dr. Pankaj Dodh is Assistant Professor, Department of Political Science at National Defence Academy, Khadakwasla, Pune, Maharashtra.**

INTRODUCTION

India is the world's third largest economy and its 10th fastest growing economies with an annual growth rate of 7.3 per cent (IMF, 2015). India's prosperity is essential not only to its 1.25 billion people but is also seen as an incubator of today's globalised economy. In spite of such a bright prospects for future, Indian economy equally suffers from a number of challenges which could deflect its peaceful rise. The menace of naxalism, terrorism, economic disparities and lack of political consensus between regional and national leadership are some of the critical hurdles before the economic development and modernisation of India. India's internal security budget for the year 2015-16 was 62124.52 crore which was 10 per cent bigger as compared to the last fiscal. Safety of women is also emerging as a serious national security threat in recent years. Indeed after the 16 December, 2012 incidence at Delhi, women security has emerged as one of the primarily security concern of the country. Given this, the government of India has added another 1000 crore to the 'Nirbhaya fund' to enhance women security.

Terrorism and naxalism have emerged some of the serious challenges to the national security in the past few decades. The twin threats of terrorism and naxalism have substantially affected the economic development and modernisation in the country. According to an analysis made by the Progress Harmony Development Chamber of Commerce, an amount of US \$1 to 2 billion was spent to curb terrorism and naxalism during the year 2012-13 (PHD, 2012-13).

REGIONAL ECONOMIC IMBALANCES

The ever growing regional imbalances primarily resulted from the process of globalization has substantially threatened the prosperity and security of its US\$ 2.1 trillion economy. The ever expanding gap between the rich and poor has diverted the energetic youths towards destructive and dysfunctional activities such as secessionism, extremism and naxalism in various parts of the country.

India today hosts the third largest numbers of dollar billionaires in the world. India's top ten per cent controls 73.5 per cent of national wealth by the year 2014 which was 65.8 per cent in the year 2000. Similarly, India's top one per cent occupies 48 per cent of the national wealth in the year 2014 which was 37 per cent in the year 2000 (Rukmini, 2014).

On the other hand, India shares 20 per cent of the world's poor people as compared with three per cent by China. According to the World Bank's country director for India, 32 per cent of the population falls below the international poverty line of US\$1.25 a day (World Bank, 2013). Such imbalances are contributed by various factors including the fragile security environment in the country. In the areas severely hit by the scourge of violent maoist/naxal movement, poverty rates are 14 per cent higher for *Adivasis* and nine per cent for *Dalits*, as compared to non-scheduled groups. In urban areas likewise, the poverty of *Dalits* and Muslims is 14 per cent higher than the others.

Around 40 per cent of the 60 million people displaced following development projects in India are tribal. Paradoxically, many districts include the most backward and most developed sub-districts of India. Ninety-two districts have sub-districts that figure in the list of both the top twenty per cent and bottom twenty per cent of India's sub-districts in term of economic development. Developed districts such as Thane, Vadodara, Ranchi, Visakhapatnam and Raipur have some of the most backward sub-districts. In Korba and Raigarh districts of Chhattisgarh, Valsad of Gujarat, Pashchimi Singhbhum and Purbi Singhbhum of Jharkhand, Kendujhar, Koraput and Mayurbhanj of Odisha, the most advanced sub-districts are flanked by the most underdeveloped sub-districts (Shah, 2015). Such regional and intra-regional disparity has primarily led to the spread of Naxalism in India.

NAXALISM OR LEFT WING EXTREMISM

Presently, naxalism covers around 45 per cent of geographical area of the country and is active in as many as 223 districts of over 20 Indian states, popularly known as 'Red Corridor'. Naxalites people are mostly Dalits and Adivasi of rural Indian areas which constitutes around one-fourth of the country's population. The most affected states from naxalism are Jharkhand, Chhattisgarh, Madhya Pradesh, eastern Maharashtra, the Telengana (northwestern) region of Andhra Pradesh, and western Orissa. The former Prime Minister, Dr. Manmohan Singh identified the problem of Left Wing Extremism as "the single biggest internal security challenge ever faced by our county". The study conducted by the Ministry of Home Affairs reveals that, in terms of fatalities, the Naxalite violence has surpassed militancy in Jammu & Kashmir and the insurgency

movements in the Northeast. Speaking at Sardar Vallabhbhai Patel National Police Academy, National Security Advisor, Ajit Doval said India cannot become a great and powerful country without managing its fourth generation invisible enemy (The Economic Times, 2015).

Naxalism started in Naxalbari region of West Bengal in 1967 as a protest against ineffective land reforms in the state. Naxalism is primarily the result of underdevelopment, regional imbalances, lack of governability and inadequate security preparedness. Some of the common reasons for naxalite insurgency are: unemployment, lack of education, new forest policies with restriction for their livelihoods, cultural humiliation, weak access to health care, education and power, restricted and limited access to natural resources, multifaceted forms of exploitation, social atrocities, displacement and deficient rehabilitation programmes, political marginalization and suppression of protests (RG Foundation, 2014).

Government sources have shown that 96 per cent of the respondents held Unemployment and social insecurity; 87.8 per cent view 'failure to bring about land reforms' and 87.8 per cent respondents said that economic backwardness of the region are primarily responsible for the growth of naxalism in India (Ministry of Home Affairs,).

The Government has allocated Rs 14,089.38 crore for CRPF, the World's largest paramilitary force, primarily to fight the menace of Naxalism (Reuters, 2015). Similarly, the cumulative money for the modernisation of police has been US \$2 billion in past five years (MHA, 2012-13). Maoists spent over INR 1.75 billion in 2007 for the purchase of weapons, including AK-47s, landmines, vehicles, uniforms and medicines and rocket launchers (R G Foundation, 2014).

The major economic effects of naxalism are - reduction in per capita GDP growth, higher inflation rate, lower tax revenue, lower domestic investment etc. Micro-economic effects include lower tourist inflows, lower regional tourism market share, reduced usage of public transport, reduced long term investments in agriculture and other potential sectors, lower job availability and lack of substantial opportunities. Study has also shown that naxal affected states lost on average 11.49% of their per capita NSDP over the period 1981 to 2000 (Singhal, 2010). Divergence of development funds to the maoists has badly hit the development prospects in

many states. The chief minister of Bihar, Nitish Kumar estimated that the Maoists in his state pull in Rs.150 crore a year which does not include the outright looting of money and snatching of arms and ammunition from security forces.

The Chief Minister of Chattisgarh, Raman Singh estimated an extortion of around 100 crore by naxalite raid (Chakravarti, 2008). On November 29, 2009, Chhattisgarh Director General of Police Vishwa Ranjan claimed that the Maoists annually extort up to INR 20 billion across India. According to data seized from a central committee member of the CPI-Maoist, naxalite collected over INR 10 billion in 2007. The seized documents showed that naxalite raised INR 2 billion from Bihar, 1 billion from Andhra Pradesh in 2007, INR 750 million from Jharkhand, INR 1 billion from Maharashtra, INR 780 from Karnataka and INR 350 million from Tamil Nadu in 2007 (RG Foundation, 2014).

Violent Left Wing Extremism has so often damaged the necessary infrastructure required for economic development. For instance, in Chhattisgarh power and steel industry projects worth Rs.130 billion investment were badly disrupted due to naxalite violence (Sushantveer, 2012). According to media report naxals in Jharkhand region have emerged as a mining mafia who have staged a multi-crore mining scam.

If Maharashtra and Andhra Pradesh are excluded from the naxal affected states all affected states have less per capita Gross State Domestic Product (GSDP) as compared with non affected states. For instance, the GSDP of Jharkhand has 1.73 lakh crore, Chhattisgarh Rs 1.85 lakh crore, and Odisha Rs 2.72 lakh crore, at current prices in crores of rupees in 2014-15 (Ministry of Statistics, 2015). These states are bestowed with strategically critical natural resources such as coal, iron ore, manganese and bauxite etc.

NORTHEAST INSURGENCY

According to a study commissioned by Bureau of Police Research and Development, Ministry of Home Affairs, New Delhi, insurgency and extremism has retard both social and economic development in Northeastern region. The study shows that 90.2 per cent respondents held that extremism has retarded development initiatives and activities in backward regions of Northeast.

77.2 per cent respondents said that extremism has provided an excuse for official inactivity, corruption and neglect in the region. Protection of people's property rights and more enabling condition for private investor is the pre-conditions for region's economic development. However, this cannot be done unless or until insurgency is wiped-out from the region (Das, 2013).

The central government is spending heavily on the region. Each ministry of the Union government is required to spend at least 10 per cent of its budget in the Northeast. A Central sector fund of about Rs 48,000 crore has been distributed to northeast during 2014-15. Though insurgency and violent activities have badly jeopardized the modernisation process in the region.

TERRORISM

Another important challenge that has inhibited India's economic growth potential is increased terrorist activities in many parts of the country. India is suffering from the scourge of terrorism and extremism since 1987. In the post-2000 period the numbers of terrorist activities have increased exponentially in various parts of the country. Consequently, it has caused substantial loss to the country both in terms of money and men. It has not only affected tourism industry but has also affected the pace of modernisation in the country. In fact, India experienced 5.8 per cent of the world's total terrorist's attacks which is only the fourth largest numbers of terrorist attacks after Iraq (24 per cent of terrorist incidents), Pakistan (19 per cent), Afghanistan (12 per cent)". In 2013 India faced 690 terror attacks. Topping the list was Iraq with 2,852 incidents, followed by Pakistan (2,212 attacks) and Afghanistan (1,443 incidents). In 20 years (from 1994 to 2014), India faced 6,024 attacks, a little less than tenth of 68,962 incidents worldwide. According to the Ministry of Home Affairs report, the violence in 2007-08 was highest in the Northeast with a 49.92 per cent (Assam and Manipur with highest death counts) followed by the Naxalite areas at 33.06 per cent and Jammu and Kashmir with 17.01 per cent (Ministry of Home Affairs, 2008).

According to the report, India has lost as much as \$ 341.7 billion in 2014 due to surging violence and conflicts. The economic cost of violent terrorist activities in India is equal to 4.7% of the entire GDP. Terror incidences have caused huge economic loses for many people and business firms (Agwan, 2016).

Study also shows that, the threat of terrorism has hit largely the flow of the FDI in India which has declined between 1.3 and 2.1 percentage points in recent years (ToI, 2015). In the same vein, Rs 580 crore has been allocated in the budget for relief and rehabilitation of Jammu and Kashmir migrants caused primarily by cross-border terrorism.

Terror incidences like Mumbai bomb attack of 2008 have not only affected the tourism industry in India but have created a sense of inhibition in the minds of foreign investors to invest in India. For instance, the 2008 bomb blast in New Delhi brought down the daily transaction of just one market of the national capital, Sadar Bazar, from Rs 7,000 crore to about Rs 400 crore for many weeks. Similarly, the post-Godhra riots in Gujarat in 2002 experienced a loss of Rs 11,000 crore to the Gujarat Chambers of Commerce and Industry. According to one study, the 10 day long rioting and arson in Saharanpur in 2014 affected local economy by 244 crore (Agwan, 2016).

CONCLUSION

Indian Economy is indubitably galloping fast in the past one and half decades. It has maintained a robust growth rate of over 7% which is one of the fastest on the earth. However, factors such as naxalism, terrorism, communalism, northeast insurgency, widening gap between the rich and poor and women security are some of the stumbling blocks in Indian economy. India need to take both coercive and concerted efforts to eliminate negative forces from the polity, economy and culture of the nation. It is therefore, imperative that Indian policy makers, civil society and media play their role to fight jointly against the enemies of national security and economic prosperity.

- **References:**

- Agwan, (2016), <http://www.countercurrents.org/agwan190615.htm> Accessed on 14 May, 2016.
- Chakravarti, S (2008) “Red Sun-travels in Naxalite Country”, Penguin Global.
- Das S K (2013), “Governing India’s Northeast: Essay on Insurgency, Development and the Culture of Peace”, Springer: New Delhi.
- IMF (2015), World , Economic Outlook (WEO), October 2015.

- Ministry of Home Affairs (2012-13), Ministry of Home Affairs, Annual Report 2012-13, KPMG in India analysis.
- *Ministry of Statistics and Programme Implementation (2015), "State Domestic Product and other aggregates, 2004-05 series" 27 February, 2015.*
- Ministry of Home Affairs (2008), "Status Paper on Internal Security Situation", Ministry of Home Affairs, 31 March, 2008, New Delhi.
- Ministry of Home Affairs, "Social, Economic and Political Dynamics in Extremist Affected Areas", Bureau of Police Research and Development, Ministry of Home Affairs, New Delhi
- PHD, (2013), "Emerging Dynamics and Challenges of Internal Security", New Delhi: PHD Chamber of Commerce and Industry.
- Reuter, (2015), "Ministry of Home Affairs Gets Rs 62124.52 Crore", 28 February, 2015.
- R G Foundation, (2014), "Impact of Naxalism on Developmental Programmes Related to Women & Child", Ministry of Women & Child Development, Government of India.
- Rukmini, S (2014), "India's staggering wealth gap in five charts" The Hindu, 8 December, 2014.
- Shah, M (2015), "Tribal alienation in an unequal India" The Hindu, 4 July, 2015.
- Singhal, S (2010) "The Economic Costs of Naxalite Violence and the Economic Benefits of a Unique Robust Security Response", Economics Seminar, Indian Statistical Institute, New Delhi.
- Sushantveer, (2012), "Impacts of Naxalism on Development", <https://naxalitereview.wordpress.com/2012/02/26/impact-of-naxalism-on-development/> Accessed on 14 April, 2016
- The Economic Times, 2015, "Internal security Going to be a Big Challenge for India: NSA Ajit Doval", The Economic Times, October 31, 2015.
- The Times of India (2015), "Terrorism has long-lasting impact on Indian economy: Moody" <http://timesofindia.indiatimes.com/business/india-business/Terrorism-has-long-lasting-impact-on-Indian-economy-Moodys/articleshowprint/49245598.cms> Accessed on 13 April, 2016.
- World Bank (2013), "Beyond the City Limits: Report Finds Rapid Suburban Growth in India, Potential for Sustainable Cities to Reduce Poverty" <http://www.worldbank.org/en/news/feature/2013/10/21/india-urbanization-report-beyond-sustainable-cities>, Accessed on 10 April, 2016.