

The NDA Regime and National Security – A Performance Appraisal

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When National Democratic Alliance (NDA), a coalition led by BJP, assumed power in March 1998, the global, regional and domestic security scenario was grim and precarious. Struck by International terrorism, the world was still groping in darkness about the right and effective response to the invisible enemy syndrome, which threatened the nations, civil societies and individuals alike. The democratic and non-Islamic States were specially threatened – India being both was in its vortex.

The emergence of uni-polar world following the cessation of cold war, had decisively established US pre-eminence in military, political, economic and technological spheres. Seizing the opportunity to maximise its strategic and economic gains in the new configured world, its allies and US assiduously pursued policies, which often militated against the economic and strategic interests of developing countries like India. With the disintegration of the USSR, and Russia encountering the pangs of transition till late Nineties, India lost a strategic partner and stood disadvantaged, particularly in the sphere of defence related technologies and procurement of defence equipment.

Nearer home, Pakistan, emboldened by the success of Covert Action in Afghanistan in which, playing the role of a front line state it helped in subduing a super-power, was convinced of 'Covert Action' as a potent weapon against India. At its command was a large trained manpower in war veterans of Afghan War, Islamic seminaries to churn out Jehadi desperados, terrorist training and logistic infrastructure, western supplied sophisticated terrorist

weapons and hardware and Indian experience in Punjab behind it to pursue its Kashmir agenda. In furtherance of its policy of bleeding India by 'inflicting thousand cuts', it carried forward the doctrine of 'war through other means' to the barbaric limits of letting loose a virulent form of terrorist violence. Using Pakistani soil and state apparatus to recruit, train, equip, finance and provide strategic and tactical guidance to the terrorists, saboteurs and subversive groups it facilitated their global networking with crime mafias, drug syndicates, currency counterfeiters, money launderers and gun runners.

In Afghanistan, Taliban with full Pakistani support and backing had usurped power in almost entire country, except Northern Areas, mercilessly annihilating opponents of the regime in the name of Islam. Pakistan, one of the three countries to have recognised Taliban regime, saw in it an opportunity to export Talibani variety of Islam to other parts of the world. It helped them in establishing training camps for the Jihadis from all over the Islamic world for 'Mission Jihad' against the infidels. This had brought the epicentre of international terrorism close to Indian borders. The ISI had also deeply entrenched itself in Nepal, Bangladesh and Middle East as part of its well deliberated strategy of encirclement of India for covert warfare.

Deep entrenchment of Left Wing Extremists in Nepal and weakening of democratic polity there had serious security and political implications for India, particularly in the backdrop of exponentially growing Left Wing Extremist Movement in India. Demographic invasion from Bangladesh and fast accretion in strength and resources of Islamic fundamentalist groups there also had serious portents for India's security. Besides, Bangladesh, Myanmar and Bhutan had emerged as safe shelters and sanctuaries for the North-Eastern militants.

Most disturbing, however, was the domestic security landscape. Jammu and Kashmir stood highly destabilised with terrorist violence stabilising at an unacceptably high level, threatening the national sovereignty, democratic polity, and the civic society. The entire Hindu population of the valley had become refugees in their own country where their co-religionists constituted over 80% of the population—a unique historical paradox. In the hinterland,

numerous covert modules of sabotage, subversion and espionage had sprouted operating with near impurity in collaboration with indigenous radical Islamic groups with pan-Islamic linkages.

Left Wing Extremists had spread their tentacles to over 120 districts in 11 states, acquired sophisticated weapons, streamlined their organisational structure and with their popular *Jan Adalats* were poised to undermine the legitimacy of lawful Government in large tracks of inaccessible areas. All the states in North-East, with the exception of Mizoram, were affected by one form of insurgency or the other.

On the defence side, the modernisation process had remained in a deep freeze for over a decade as successive Governments from 1987-88 onwards had injudiciously deepened real term cuts in the defence budget. This had led to lowering of operational preparedness, training, maintenance of equipment and logistic support to our fighting forces. The defence research and development programmes had also suffered a set back partly due to paucity of resources and partly due to pursuance of time and technology inconsistent procurement policies; the decisions often being taken on considerations other than the best national interests. Various ongoing projects like Light Combat Aircraft, Main Battle Tank were held in limbo and faced inordinate delays.

The intelligence agencies in the country were beset with three main maladies. Firstly, the coordination between themselves as also with other security agencies, particularly in respect of operational intelligence, was more for record than substance. Secondly, they had degenerated into big bureaucracies churning out plethora of reports, which they considered vital and consumers found barely usable. Both the capability of the system to be intelligence literate and of the producers to gauge consumer needs was at fault and there was no institutional mechanism to correct the distortion. Lastly, they were resource and technology deficient, partly due to paucity of funds but more importantly due to cumbersome controls and procedures they were subjected to. The new genre of threats required real time response with best people of highest motivation and skills to match their formidable adversaries and total systemic synergy. It was lacking at all levels.

The police, being the state subject, over the years received

scant attention of the Centre and was in a state of abysmal neglect seriously compounded by its high politicisation. The need of a long term planned development of police forces under a national programme to meet the requirements of a free and developing India was never envisioned. Various recommendations of the police commissions and other bodies had become casualties of turf battles, bureaucratic rivalries, indecisions and resource constraints. It rendered them deficient not only in their equipment, training, communications, mobility etc., but more painfully their morale and values.

The NDA thus inherited a huge, but cost and efficiency ineffective, security apparatus that was too inadequately trained, equipped and provided for to bear the heavy strains and stress of formidable challenges at hand. The years of neglect, faulted policies and missed opportunities had all around compounded India's security problems. India was ushering into the new millennium with a baggage, which was retarding its march towards a strong and secure nation and its rightful place in the comity of nations. The security system over the years had not only been rusted, lacking cohesion and synergy, but more ominously had become highly susceptible to pressures, corruption and machinations of vested interests. Transforming this system was both difficult and important but equally, if not more, pressing was the need to grapple with the challenges and threats, which were immediate and real.

BJP - National Security in its Political Philosophy and Vision

BJP, which led the NDA coalition, was voted to power for its strong ideological moorings and national commitment in whose priorities National Security occupied the central position. The party and its precursors were offshoots of a strong indigenous nationalist tradition, which entered Indian political arena primarily to assert protection and preservation of 'India', as defined and understood by them. Their connotation of national security transcended the narrow bandwidth of physical security and maintenance of law and order. India, in their perception, was as much a cultural and civilisational reality, which had existed for millenniums, as much a politico - territorial entity that came into existence in 1947. Both intricately intertwined, were vital and mutually complimentary and

their survival was interdependent on each other. National security for them meant preservation and protection of both.

They vehemently opposed the doctrine that assertion of traditional India's cultural and civilisational reality was obscurantist and will accentuate disintegrative social fault lines. On the contrary, they felt that only they could cement these artificially created fault lines and lay the foundation of a strong and resurgent India. Taking a much deeper and broader view of nation building, they felt that a modern India could not be built without protecting and strengthening the traditional India. Securing and strengthening this twin India, one representing its body and the other its soul, one defining its tangible form and the other its vital life force, were mutually complimentary, and should constitute fundamental doctrines of our national security.

Their existentialist thinking, within its matrix, carried the scars of India's painful historical experience of not being able to leverage sum total of its state power to insure security of its land, people, culture and religion, notwithstanding its inherent strengths. This, they felt, could largely be attributed to faulty exercise and application of power by those who controlled it, invariably using it for furtherance of their narrow and short-term personal and political interests, compromising the larger and long-term national cause. Over the centuries it cumulatively generated a deeply ingrained defeatist and escapist social psyche and successive generations remained mute spectators to their cultural, civilisational, religious and social degradation. The centuries of persecution and domination drained the people of the courage and will to resist injustice, lest it invited unaffordable retribution. They felt that in the task of nation building and ensuring its security the foremost task was to resurrect and rebuild the vital missing block of national will, the foundation on which the nationhood and its security rests. These political thinkers started the task of people's mobilisation on nationalist and patriotic lines as part of a national security endeavour stressing primordial civilisational and cultural pride and identity, which should subsume religious, caste, linguistic, and ethnic identities.

They were disillusioned when the political elite, which dominated the national political scene in the post independent

India, did not share this vision and deemed it their patriotic duty to raise their voice against it. They regretted that the political vision of the leaders, who succeeded the British colonial rule continued to be deeply influenced by the Western political thought, of which they were the products. Political philosophies of the right liberals, emphasising democracy and individual freedom, and the radical left trumpeting social and economic justice had evolved in the West based on the historical experience of Europe. They felt it could not be superimposed over a country like India that had a long politico-historical experience of its own, without due indigenisation and validation. The ominous portents of the new ruling elite finding it politically inexpedient even to acknowledge the realities of traditional India and of its cultural and civilisational past, leave aside striving to strengthen it, alarmed the nationalist school. At one end, through social mobilisation, they made a concerted effort to awaken, educate and organise the people under Rashtriya Swayam Sewak Sangh (RSS) and on the other created a political platform, which could lead the country and provide a Government, for architecting a strong, secure and stable India on the core components of its nationhood. They envisioned that the duo working in tandem could bring about an Indian political and social renaissance. Achievement of this mission was the *raison d'être* behind floating the political platform of which the present day BJP is an inheritor. As a party with a difference, driven by high ideals and commitments, it was envisaged not to indulge in the game of competitive power politics, which thrived on fragmentation and not consolidation, division and not unity, self-aggrandisement and not service to the nation.

BJP, being the main constituent of the NDA, though brought with it this broader national vision of security, had to calibrate its stand on various issues in deference to compulsions of coalition politics. The achievements and failures of the BJP led NDA Government has to be judged and evaluated in this perspective. Nevertheless the NDA in its election manifesto of 1999 underlined that "The Security of the nation is our paramount duty. In fulfilment of this sacred duty we will ensure that the neglect of defence preparedness by the previous Governments during the last decade shall be concerted". On the internal security the manifesto

emphasised that, “We are committed to ensuring the safety and security of all citizens in all parts of the country. For reaching this goal we will take effective steps to create a riot-free order and a terrorism-free India.”

The Structural and System-based Infirmities of Security Management Inherited by NDA

On attainment of independence India inherited an archaic colonial security apparatus, which was essentially designed to meet the requirements of a colonial rule and protect the political, economic and military interests of the British Empire. The ‘native’ army was raised to subdue the princely states and merge them in the British Empire or force them to accept British Paramountcy. Following the consolidation of British Empire India there was selective extension of their role as a support component to British army where British interests were threatened. The police and revenue administration were intricately intertwined for maintenance of law and order, collection of land revenue and subduing any threat to the British authority. The intelligence service, which was established in India before it was formed in UK, was designed to forewarn and counter any activity, which may threaten British rule or its interests.

In independent India, this model was adopted lock, stock and barrel without evaluating ab-initio the security needs of the free India. India as the second most populous and seventh largest country of the world, land borders extending over 15,000 kms., a coastline of nearly 7,500 kms. and a geo-political setting, which, in fast changing international scenario, was assuming high strategic import, required massive reorganisation and restructuring. It also required well-deliberated long-term national security objectives, strategies to achieve them, institutionalised control and coordination mechanism and resource mobilisation plans. However, the changes which were brought about were episodic in nature-essentially as reactions to adverse developments like wars thrust on us by Pakistan and China, insurgencies in North-East, Naxalite movement of sixties, militancy in Punjab, threats of terrorism etc. In the absence of a seamlessly integrated and duly empowered institutional mechanisms with in-built mechanism for accountability, the system got bureaucratised, politicised, non-

responsive, corrupt and defused in its focus. Personalities, events and vested interests determined the course of evolution and growth of security systems. While excellence and isolated achievements in certain fields were achieved, the system as a whole could not attain the desired strengths as an organic whole. In security terms, both within and outside the country, the nation was perceived as a soft state, which could not protect its legitimate security interests even *vis-à-vis* its smaller and much weaker neighbours.

The successive Governments attributed low priority to national security build-up exercises except in times of wars or serious crisis, the focus lasting only as long as the problem persisted. Broadly speaking, when the NDA assumed power the security system was besieged with following long-standing infirmities.

- (a) Failure to lay down nation's long-term policy objectives and appropriate doctrines and action plans to achieve them. Net national assessments of futuristic threats and conscious formulation of our mission objectives in diverse security areas was lacking. 'Play it by the ear' became the working doctrine thereby forcing us to remain in 'episodic response mode' which is the most cost effective way of security management not only in financial terms but cost to the nation in terms of lives lost, political instability, impact on the national will and moral etc. This also left the initiative of war or peace, negotiation or confrontation always in the hands of our adversaries. Quite often, political expediency and electoral interests prevented development of national consensus in areas of vital national security interest.
- (b) National security management lacked coordination and synergy and was dealt in a bureaucratic and compartmentalised manner. This domain exclusiveness led to avoidable turf wars and security agencies in the country were unable to fully compliment each other's efforts and insure seamless integration in their functioning, infrastructure sharing, pooling up of experience, technology transfer etc. In the contemporary security landscape where conventional lines of demarcation between internal and external security, strategic and tactical objectives, overt and covert offensive, intelligence for action and intelligence for

policy are getting blurred compartmentalised functioning only helped the adversaries. In the new global order even economic, environmental, technological, information, communication, power and water related decisions have profound security implications and the world has been fast adopting an integrated approach. However, in India, neither strong institutionalised arrangements nor the systems and work culture existed which could promote this. Whatever contraption existed on the ground was too feeble and nebulous. Recognising this need BJP underlined in its manifesto that it will “ensure of greater coordination between the armed forces, police organisations and administration.”

- (c) In view of India deciding to pursue an independent foreign policy and not joining any of the power block there should have been greater emphasis on building indigenous technological and R&D capabilities in the defence sector. The need was further pressing in view of having two hostile neighbours in Pakistan and China. It is noteworthy that even in high technology areas like nuclear, space, oceanography etc., where India wanted to be self-sufficient it was able to do so through indigenous efforts. However, it was an irony that in areas employing intermediate technologies it had continued to remain dependent on foreign sources, which failed or nearly failed in critical times. The Defence Research and Production Programme in the country, except in few selected areas, was badly disorganised and lacked clarity of thinking and a long-term perspective. Procurements were often done in a haphazard manner lacking transparency and quite often inadequately meeting the real requirement. The NDA manifesto asserted that “Technological upgradation must be achieved in all areas of security management particularly defence, intelligence and police forces.”
- (d) Neglect of internal security by the Central Government on the premise that law and order was a state subject has been another serious systemic distortion in the country’s security management. The framers of India’s Constitution

in early years of independence could not have visualised the turbulence that the free India may have to face in the years ahead. While law and order may justifiably be a state subject, if the threats endanger national sovereignty, integrity, stability or have trans national linkages it necessitates a national response. Effective legislations, national policies, systems and machinery, should have been evolved to meet such threats. Terrorism, sabotage, espionage etc. are a few such areas, which warranted a synergised national response, and legal and administrative disabilities should not have been allowed to prevail over larger national interests.

- (e) By mid-eighties, both our indigenous experience and international trends had made it amply clear that large varieties of futuristic threats will have higher degrees of surprise and secrecy as the adversaries would increasingly take recourse to covert operations to achieve their political and strategic objectives. These trends clearly underlined the primordial role of intelligence in security management. India, which had witnessed most vicious form of terrorism and other forms of covert action at a very heavy cost, needed a state of the art intelligence capability befitting its size, complexities and vulnerabilities, both internal and external. The heterogeneous and fragmented Indian society and polity had many fault lines, often accentuated by political vagaries, which could have serious security implications. However, no substantial national effort was ever made in this direction.
- (f) Foreign policy is necessarily an instrument of effectively promoting and furthering core national interests, particularly the nation's security interests. Unfortunately, in our diplomatic initiatives and demarches the national security related matters tended to remain a low priority item. When Pakistan launched terrorist action in Punjab by subverting groups of Sikh Youth our embassies could hardly build a favourable international operation to castigate Pakistan. Similarly, on Kashmir issue Pakistan was successfully able to project the terrorists recruited, trained

and equipped by it as indigenous freedom-fighters.

NDA's National Security Objectives and Response Doctrines

One of the infirmities of our national security management in post independence era has been lack of clearly defined security objective and a doctrinal response framework through which these objectives were to be achieved. The conceptual parameters of the BJP to tackle multifarious security needs of the country, both long and short-term, largely encompassed its political philosophy, nation's historical experience, fast changing dynamics of domestic and international security environment and rapid advances in technology which required to be factored in for formulating a national response. Broadly speaking, the NDA during its rule framed its security policies encompassing the following:

- (a) India, taking a long-term view, should build its national security capabilities based on the realities of its geo-political conditions, strategic vulnerabilities, and internal and external threats and not on the intentions of the adversaries. Intentions can change over night or can be wrongly assessed. India's military, intelligence, technological and other security segments should adequately meet enemy capabilities.
- (b) State has a symbiotic relationship with power as it expresses and conducts itself through power. India, to be strong and secure, besides military power, should ensure accretion in all the ingredients of the state power like technology, infrastructure, human capital, financial resources, enterprise etc. All major decisions in seemingly non-security areas like energy, water resources, environment, communications, must invariably factor in the security aspects in decision-making. This should be achieved through an institutionalised mechanism, which is highly professional and capable of making multi-disciplinary assessments.
- (c) National will is vital ingredient of national power. All tangible and determinable ingredients of power fail to achieve desired results in the absence of this vital element. India should build and strengthen this national will

and counter all efforts to erode and weaken it. India's perceived image as a soft state, a fragmented and corrupt society, a country, which can be bled with impunity by its external and internal adversaries needs to be corrected both by concerted actions, effective power projection and perception management. As the then Dy. Prime Minister, Shri Advani addressing the DGPs in October, 2003 asserted that the soft state image militated against the country's external and internal security interests both in the short and long run.

- (d) In the post cold war scenario, denial of technology or its transference to the adversaries has emerged as an effective tool of exercising hegemonistic control. India rightfully trying to achieve a major power status must develop or acquire competitive edge over its contemporary and potential rivals. As it is opposed to join any power block or military alliance, it should build indigenous capabilities by pursuing a well-caliberated and focussed R&D and defence production action plan.
- (e) Since 1991, the combat preparedness of the nation's defence forces had come down due to steady decline in defence budgets in real terms. BJP strongly felt that there was no conflict between national security and development and should there be one the former should prevail. It felt that national policies should be so architected that the security and developmental policies fully complemented each other. The security forces, intelligence set ups, the DRDO and defence production establishments, should be enabled, empowered and modernised. BJP in its manifesto promised establishment of National Security Council to go into all these aspects, which it did. The election manifesto asserted that, "To establish a National Security Council to constantly analyse security, political and economic threats and render continuous advice to the Government this Council will undertake India's first-ever Strategic Defence Review to study and analyse the security environment and make appropriate recommendations to cover all aspects of defence requirements and organisation."

- (f) Accepting the inadequacy of legal framework and structural arrangements to meet national security vulnerabilities, it envisaged bringing about necessary changes in these areas to cope with the new genre of threats. In view of the transnational and inter-state character of some high intensity internal security threat which endangered country's sovereignty and integrity it felt there was a need to bring about legislative changes to deal with them at a national level through concurrent empowerment of the centre through necessary legal or constitutional amendments.
- (g) Recognising that Covert Actions, which had become an instrument of state policy of Pakistan, and is likely to remain as a futuristic threat, the NDA Government desired to bring about qualitative improvement in nation's apparatus. The malignancy of invisible enemy could only be met through an efficient and highly professional intelligence service for which fundamental structural and systemic changes needed to be brought about in the country's intelligence agencies. In its manifesto it emphasised that, "The BJP Government will revamp the intelligence agencies to enhance their effectiveness and ensure greater coordination with security and police forces."
- (h) The NDA Government was convinced that management of national security was an integrated function and involved concurrent management of country's external environment, internal security, defence preparedness, technology integration, maintenance of law and order, border policing etc. Developing better coordination and synergy was vital to achieve this. In its manifesto BJP emphasised that "The BJP Government will ensure far greater coordination between the armed forces, police organisation and the administration in areas beset with insurgency and terrorism. Armed insurgents and foreign mercenaries will be eliminated. Our security forces will be given a free hand to deal with armed insurgency and terrorism."
- (i) Recognising the Central role of police organisations in internal security management, NDA Government also envisaged the need of revamping, restructuring and

rationalising various central police, organisations, state police forces, immigration control and other internal security platforms. Etc. This involved modernisation of these forces, removing deficiencies in their equipments; improvement in training, and keeping their morale and motivation levels high. As the group of ministers chaired by Shri. L.K. Advani observed, “The traditional structures and processes for the management of national security are under considerable stress. Not only are most of them over 50 years old, but their effectiveness has also, over time, been attenuated. These need to be suitably restructured and strengthened, to cope with the new and emerging challenges facing us in the areas of Intelligence, Internal Security, Border and Defence Management, so as to help develop a more efficient and cost-effective national security system for the 21st century.”

External Security

It needs to be underlined that parameters of India’s security clearly extend well beyond the confines of its conventional geographical land borders. Given its size, location, trade links and extensive Exclusive Economic Zone (EEZ), India’s security environment extends from the Persian Gulf in the west to across the Straits of Malacca in the east, and from the Central Asian Republics in the north to the equator in the south. The nation of one billion people with seventh largest land area, its land frontiers exceed 15,000 kms and it shares common borders with Pakistan (3,244 kms), China (4,056 kms), Bangladesh (4,351 kms), Myanmar (1,643 kms), Nepal (1,751 kms) and Bhutan (270 kms). India’s peninsular shape provides it a vast coastline of 7,600 km. It has a large number of far flung island territories, and an Exclusive Economic Zone (EEZ) of over two million square kilometres. The exploration and exploitation of resources in our EEZ, our maritime assets and infrastructure, our far-flung island territories and significant imports from the Gulf through this region all have complex security implications.

Global Security Environment

By late Nineties when NDA assumed power the cold war had

ended and the world had moved into a uni-polar mode. Soviet Union, a strategic partner of long standing, had disintegrated and its polity for quite sometime had remained unstable-undergoing pangs of transition. US with its pre-eminence in the political, economic, military and technological spheres, was able to force its will on most countries of the world and on most issues. Though not very vociferously articulated, this unbridled power of the USA generated a subterranean sense of concern in many parts of the world including China, Europe and Russia. A global regime of mutual accommodation, with barely hid under-currents of suspicions, coexisted. Aggressively focussed on its economic and political agenda, US pursued its global interests, which often militated against economic and strategic interests of countries like India. Indian position during WTO deliberations and nuclear tests in May 1998 is illustrative. The global compulsions, however, made it necessary that India broadly pursued its political, economic and other policies, which emphasised the positives and underplayed points of difference.

On the positive side, post cold war dispensation heralded new possibilities of cooperation and positive engagement with the West. The process of globalisation offered India new economic opportunities and placed it in a new and higher strategic orbit.

The end of cold war leading to globalisation also affected some other aspects of national life like exponential increase in international travel, revolution in informatics, problems relating to migration, globalised communication and opening of cyber space etc.

(A) US and Indian Security

The NDA Government handled the new realities of Indo-US relationship with commendable deftness and skill leading to increased dialogue and engagement with US on a broad range of bilateral, regional and international issues. India was able to convincingly mobilise US support on important security related matters like Pakistan's armed intrusion in Kargil, the military takeover in Pakistan, the evolving situation in Afghanistan and the problem of terrorism.

It was particularly creditable in the backdrop of difficult and delicate situation following India's nuclear

tests in May 1998 and slapping of various restrictions by the US under its domestic laws. Following the tests, India engaged US in a comprehensive bilateral dialogue at various levels, including institutionalised dialogue between Shri Jaswant Singh, External Affairs Minister, and Strobe Talbot, Deputy Secretary of State. The talks encompassed comprehensive proposals that India had put forward on disarmament and non-proliferation, its unilateral moratorium on future tests, willingness to convert this moratorium into a de jure obligation and offer to enter into constructive negotiations on FMCT. India also reaffirmed its policy of stringent control on export of sensitive technologies. The dialogue focused on four issues like the CTBT, FMCT, export controls and the defence posture.

As a result of these initiatives, the US lifted some of the restrictions imposed by it with effect from 1st December 1998. Again, on 27th October, 1999, fresh waivers were issued under the Defence Authorisation Act, passed by the US Congress in October 1999.

The NDA Government was able to bring about substantial change in US perception in relation to problem in Jammu and Kashmir, role of Pakistan in abetting terrorism, the trans-national dimension of terrorist groups operating in India etc. Despite US reluctance to pressurise Pakistan beyond a point due to the use it had of it in dealing with terrorist groups in Afghanistan and Pakistan, it did respond to Indian demarches, though not fully to India's satisfaction. The Dy. PM, Shri L.K. Advani played a seminal role in it by effectively and unambiguously impressing on Americans the need to revise their policy in respect of international terrorism and make it non-discriminatory. He warned that the democracies might have to pay a heavy price if a selective view was taken in dealing with the terrorist groups and states sponsoring them. All this helped India in putting pressure on Pakistan to revise its policy towards terrorism directed against India. It was recognised by US that Pakistan supported cross-border

terrorism was responsible to a large extent for violence and instability in J&K and Pakistan should take immediate and effective steps to roll back terrorist infrastructure, wind up the training camps, stop cross-border infiltration and refrain from providing logistic, financial and other assistance to the militant groups. Defence Secretary Donald Rumsfeld and Assistant Secretary Armitage made a series of public statements emphasising that the terrorist infrastructure should be rolled back permanently and irrevocably. On conclusion of the election process in Jammu and Kashmir, the US State Department issued a press statement on 10th October, 2002 in which it welcomed the successful conclusion of the elections and described Prime Minister Vajpayee's personal commitment to make them transparent and open as the critical factor in the election process. Condemning the terrorist attacks on Indian Parliament and J&K Assembly it characterised them as efforts aimed at disrupting the democratic process and intimidating the Kashmiri people. The United States also stressed the need to end cross-border infiltration and terrorism from the Pakistani side.

As part of the Indo-US dialogue process on matters relating to terrorism, official level talks were held in Washington from 2-3 September, 1999, which were followed by another round of talks in New Delhi on the 17th September 1999. The two Governments agreed to intensify cooperation in this vital area. The Indo-US Extradition Treaty was signed on 25th of June 1997 in Washington and came into force after the exchange of the instruments of ratification on 21st July 1999 in New Delhi. It was an achievement of sorts as it removed a bottleneck in the law enforcement operations between India and USA in the area of counter terrorism. During the NDA regime United States and India further institutionalised their cooperation in this field by constituting a Joint Working Group on counter terrorism. The group had its first meeting on 7-8 February, 2000 and, thereafter, the meetings were held regularly on periodic basis, which

considerably helped India in containing terrorism. It was only through these incessant efforts that India was able to get Lashkar-e-Toiba, Jaish-e-Mohammad etc. declared as 'Foreign Terrorist Organisations' by UN, USA and various other countries. Dawood Ibrahim was got declared as an 'international terrorist'. These steps made all activities of these organisations, supporting and financing them or providing them shelter, violative of international anti-terrorist regime.

Following Pakistan's armed intrusion in Kargil and operation Vijay launched by India to evict the intruders, India kept the US, as also other key interlocutors, informed of the developments and the nature of the intrusion. As a result of Indian efforts, US firmly stood by India and called upon Pakistan to withdraw the intruders. The US also expressed appreciation of the restraint and responsible manner in which India conducted operation Vijay. India's position drew unequivocal support not only from the US Congress and the US media but the world at large.

During NDA regime India and US also strengthened their institutional framework of engagement in the area of defence and build the foundation for resumption of defence relations that was laid during the resumed Defence Policy Group meeting in December 2001. In addition to the high-level exchanges, broad-based engagement continued through institutional mechanisms. The apex level Defence Policy Group met in 2002. The bilateral executive steering groups of the Army, Navy and Air Force, the Security Cooperation Group to coordinate Defence Supply Relationship and the Joint Technical Group to advance Research and Development Cooperation in defence production met every six months. During 2003, the two sides conducted mutually beneficial combined exercises in India and the United States, exchanged visits of expert groups, carried out joint trainings and revitalised Defence Research and Development Cooperation and defence supplies relationship.

To strengthen the strategic framework for increased

defence and security relations, two sides launched the political-military dialogue at official level in April 2002. A delegation from Ministry of Defence and the Ministry of External Affairs participated in an Indo-US bilateral workshop on missile defence in Colorado Springs in May 2002. Another Indian delegation attended a major defence exercise 'Roving Sands' in the United States in June 2003.

President Clinton visited India from 21 to 25 March, 2000 – a US presidential visit after 22 years. President Clinton's visit in March 2000 was followed by the visit of Prime Minister Vajpayee from 13 to 17 September, 2000 making it for the first time in the history of their bilateral relations two exchange visits in the same year. On 21st March, the two towering leaders representing largest democracies of the world, in a joint statement, outlined the vision of a new relationship for the 21st century between India and the United States. They further agreed to wide-ranging institutional dialogue as a means to pursue the new relationship. Prime Minister Vajpayee's visit in September 2000 gave a new momentum to building up the new relationships where, besides addressing a joint sitting of the US Congress, he held separate meetings with the Speaker, the House Democratic Leadership, and the Senate Foreign Relations Committee. In addition to these state visits there were series of engagements on other matters of global, regional and bilateral interest.

This momentum was maintained even with the change of guards in the US and taking over of Bush as the new president in January 2001. Prime Minister Vajpayee's summit meeting with President Bush in New York in September 2002 represented a major watershed in Indo-US bilateral ties. During the summit, both the leaders not only reiterated their commitment to qualitatively transform their bilateral relationship in view of their acknowledged common strategic objectives in Asia and beyond but also expanded the scope of their relationships.

However, United State's special relationship with Pakistan, which had launched a vicious covert war against

India through terrorist groups, saboteurs, subversive elements and crime syndicates presented a complexity having a serious bearing on management of Indo-US relationship. India was hard put to convince US that unless sufficient pressure was mounted on Pakistan, the export of Islamic terrorism from Pakistan and Afghanistan to other parts of the world could not be controlled. In the post 11 September, 2001 setting, in which the reach and lethality of International Islamic Terrorism had become evident to the West, the reality that India had been emphasising for long, the cooperation and response expected by India, did not fully meet its expectation. The military regime in Pakistan was seen by US as an important ally to tackle Al-Qaeda and Taliban and a strategic partner in fight against terrorism with US interest as the primary consideration. It created a piquant situation for India, as Pakistan on one hand became a frontline state for the west in its war against terrorism and on the other continued to remain a major exporter of terrorism to India. Its special relationship with US not only gave it certain advantages but also limited Indian options. US response to Pakistan's pursuance of its clandestine nuclear and missile programmes and dubious global linkages in these spheres with countries like North Korea, China, Iran etc. was not found to be in consonance with America's declared non-proliferation and missile containment policies.

(B) Emergence of International Terrorism as a Major Threat

When the NDA Government assumed power International terrorism had acquired serious proportions and the world was in a state of high alert. Islamic zealots with their war cries of Jihad had issued a Fatwa, signed by Osama Bin Laden and 5 others in 1998 exhorting the Muslims to wage holy war against the infidels. The fact that four of these signatories belonged to or lived in India's immediate neighbourhood and their organisations had close links with Indian terrorist groups amply underlined its import for India. Osama Bin Laden's assertion on

August 27, 2000 that “Fighting Jihad against India was an Islamic duty of the Muslim world. Kashmir issue cannot be resolved by any means other than Jihad” was indication enough of the intention and perceptions of international terrorist groups *vis-à-vis* India. Fazlur Rehman Khalil, General Secretary, Harkat-ul-Mujahideen, another signatory to the Fatwa of Jihad issued by Osama Bin Laden made their sinister intentions more implicit in his address to the cadres on 4 September, 2000 when he asserted “we are fighting not only for Kashmir but to hoist our flag on New Delhi. Our war will continue till restoration of Muslim rule in India”. The language and tenor of the Indian extremist groups was also in full consonance with this spirit of Jihad. Safdar Nagouri, Gen. Secretary of SIMI in an article wrote in 11 October, 2001 asserted that “Osama Bin Laden is not a terrorist and neither is Jammu and Kashmir an integral part of India”. Their official publication ‘Islamic Movement’ in July 2001 averred, “The ideologies of democracy, secularism and nationalism have replaced the objects of worship of the past. It is our duty to demolish these ideologies and establish the Caliphate as enjoined upon us by Allah”. These assertions by international terrorist groups and their Indian counterparts had ominous portents for India.

The emergence of religious fundamentalism as an ideology with global reach, inexorable trans-national collaborative networks, mushrooming of terrorist outfits and sponsorship of terrorism as an instrument of State policy by certain countries led to acquisition of unprecedented strength by the terrorist groups. Access to advanced technology, vast financial resources, international networking and support from countries like Afghanistan, Pakistan, Saudi Arabia etc. had empowered and enabled the Islamic fundamentalists to acquire formidable reach and lethality. Besides sophisticated weapons and ordinance grade explosives they made extensive use of the state-of-the-art communication systems, cyber technologies, global financial channels (both open and covert). Even the possibility of use of weapons of mass destruction could not

be ruled out.

Given the multi-faceted nature of the problem, an effective strategy to counter it at international level required a comprehensive and coordinated approach and pooling of the experience and resources of nations at multiple levels. During NDA Government's rule the issue occupied a centre stage position in various bilateral and multilateral engagements.

NDA made concerted efforts to combat the menace and their ability to substantially subdue it can well be recorded as its major achievement. It consistently took the stand that terrorism was a global threat that could not be justified on any grounds-religious, political, ideological or any other. Advocating pursuance of a non-discriminatory regime, it wanted international community to adopt a long term, comprehensive and non-selective action. India insisted that international action must cover both the perpetrators as well as the states that sponsor, support or provide safe haven to terrorists. While keeping the doors open for dialogue it pursued the policy of no concession under threat of terror. Efforts to contain terrorist violence was also based on the doctrine of 'minimum use of force' within the framework of the law of the land and due considerations to protection of human rights.

At the international level, India piloted the Comprehensive Convention on International Terrorism (CCIT) at the UN and supported Security Council Resolutions 1269 and 1378 (which identify terrorism as a threat to international peace and security) It has also supported and fully implemented Resolution 1267, 1333 and 1363 relating to the Taliban in Afghanistan. It welcomed and fully supported UN SC Resolution 1373 and took prompt action to submit its national reports to the UN Counter Terrorism Committee. At the operational level, for coordinating international exchange of information and developments, India entered into three types of bilateral treaties namely Agreements to Combat Terrorism and Organised Crime (8 countries), Extradition Treaties/ Arrangements (24 countries) and

Mutual Legal Assistance Treaties (13 countries). In addition Joint Working Groups were formed with 17 countries to facilitate operational exchange and cooperation in security matters and counter terrorism.

(C) The Nuclear Issue

When the NDA Government came to power, the powerful nuclear-haves dictated the global position on the issue of nuclear non-proliferation leaving little space for India to pursue its legitimate security interests. Justifiably, the BJP had always felt that India should develop its nuclear capabilities, essentially as a deterrent, to meet its security requirements. India was sandwiched between two nuclear states China and Pakistan, the former with an ambitious programme and resources to acquire military primacy not only in the region but also far beyond it and the latter with a covert and devious nuclear programme. Their working in tandem seriously compounded the problem and India could not imperil its vital security interests to placate international opinion. Though the stated position of China remained that its nuclear cooperation with Pakistan was only for peaceful purposes, the ground realities were quiet different and India was in no doubt about their common programme of strategic containment of India. China in any case had been tenaciously pursuing their long-term programme at a pace and intensity which was a cause of serious concern for India.

When NDA came to power it redeemed its long made promise and carried out five nuclear tests in May 1998. It was a major step of far reaching consequences and placed India in a new strategic orbit. The step, however, expectedly invited sharp international reaction, particularly from the nuclear club members as also India's nuclear neighbours. Various sanctions were slapped on India and it attracted adverse publicity and comments from west controlled media, think tanks and their lobbyists within the country. Pakistan, which for long had been pursuing a covert nuclear agenda, followed it up by nuclear tests of its own. China,

which already had a close and secret partnership with Pakistan in respect of nuclear and other strategic weapon systems, further intensified it. Pakistan, with Chinese and North Korean assistance, also stepped up its clandestine missile acquisition programme.

(D) Emergence of Covert Action as a New Tool of State Action

With conventional wars increasingly becoming cost ineffective instruments of achieving politico-strategic objectives, the use of 'Covert Actions' as instruments of state policy assumed new import and level of perfection. It's being pursued as a high intensity exercise by Pakistan where ISI operated was a state within the state, democratic institutions were non-existent, army enjoyed over-riding powers, both in policy formulation and execution, was a matter of great security concern for India. Successful deployment of this instrument against USSR had enabled Pakistan to perfect the trade-craft and technology of this dubious warfare. In its aberrated form it was employed by Pakistan for indulging in high intensity criminal activities, raising terrorist armies against its adversaries, Promoting drug trafficking to finance Covert Action Programmes, leveraging crime syndicates and underworld networks for wet operations, using state apparatus for counterfeiting of currencies etc.

The decade of Nineties witnessed an exponential growth and up-gradation in the capability, resources, support base and technology accessibility of various subterranean groups, globalisation leading to increase in international travel, commercialisation of security relating gadgetry, growth of fast and difficult-to-monitor communication systems, easy movement of funds etc. The conventional legal, security and administrative machineries, particularly available with democratic societies, increasingly found themselves inadequate to cope with the new genre of threats. The support and assistance rendered by terrorist sponsoring states not only enhanced their capabilities but made them intractable. Emergence

of this warfare blurred the usual lines of demarcation between internal and external security, military and non-military threats etc. leading to response dilemma. Covert Action, as practised by different states, had variants ranging from politically destabilising unfriendly regimes to political assassinations and sponsorship of terrorism. The covert operations were also extensively used for psy-war offensives as also to gain economic advantages against target countries. Weaker states found Covert Action as cost effective instruments against their asymmetric adversaries, whom they could not subdue militarily or politically.

For the NDA Government countering this threat was of prime national importance as the country had remained in vice like grip of this phenomenon for over two decades claiming over 70,000 lives. The NDA Government took series of steps to contain and counter the threat, which substantially improved the position. Besides mounting pressure on Pakistan and taking various preventive measures it streamlined country's internal security set up which led to neutralisation of large number of terrorists and 172 covert modules during NDA's tenure.

(E) Energy Security

Both for the developed and developing countries energy was increasingly emerging as an important security issue. All major powers of the world were trying to create political and military settings where they could build, control and access energy sources. Their competitiveness for energy had catalysed conflicts and power rivalries not only in areas with hydrocarbon deposits but also the transit regions and the countries, which enjoyed special relationship with them or proximity to oil producing regions. Deficient states like India were seriously affected by sharp escalations and fluctuations in the oil prices and impacted both on its security and developmental programmes. Their impact on economy and domestic prices also casted its shadow on political stability and internal security.

(F) Indian Ocean

The Indian Ocean, which is of considerable strategic interest to India, was getting rapidly and heavily militarised. It had long-term economic, political and military implications for the country. It was necessary for India to ensure that the security and stability of the Sea Lanes of Communications (SLOC) in the Indian Ocean were safeguarded as they were closely linked to our economic, trade and energy security. China had been taking series of initiatives to increase its presence in the Indian Ocean region using Pakistan, Myanmar and Bangladesh as its surrogates. US nuclear power submarines equipped with long-range missiles were operating in the region and US had substantially augmented its military presence and capabilities in its Diego Garcia base.

(G) Enhanced Role of Technology in Security

Both in its offensive and defensive mode, technology in security assumed new importance in the post cold war period. At one end, acquisition of appropriate defence technologies became more cumbersome and expensive and on the other failure to do so brought the level of defence preparedness many notches down. The fast technological developments in weapon systems, equipment for surveillance, reconnaissance, communications, electronic warfare, avionics, space, missiles, etc. had made it a daunting effort to maintain technological edge over one's adversaries. China, with its new acquired economic prowess, was able to pursue an ambitious long-term militarisation programme, including development and acquisition of strategic weapon systems, which India had to take due cognisance of Pakistan, which resorted to questionable methods to acquire denied technologies in the nuclear, missile and other fields, was acquiring these weapons much beyond its legitimate security needs which India had to cope with. Concurrently, denial of technology had become a powerful tool in the hands of developed

countries to impose their will on technology deficient countries and in the post sanction era it became a cause of overwhelming concern for India. In this backdrop the impetus that the technology development received during NDA rule was a major achievement; recording highest achievements in last decade and a half.

The other dimension of the role of technology was easy availability of lethal tools of destruction in the hands of terrorists, saboteurs and other anti-national elements. They had developed access and resources to acquire most sophisticated and expensive gadgets and equipments, both through commercial and non-commercial channels. Apprehensions of weapons of mass destruction were increasingly being seen as a reality. In the global security environment the role of technology in security management was thus increasingly getting vital and as discussed later in the note, the NDA Government took series of steps, which were aimed at adding intrinsic strength to our defence preparedness.

(H) Growing Influence of Media, Non-governmental Organisations etc. on Security Environment

The revolution in informatics and the role of non-state actors like think tanks, NGOs, voluntary organisations etc. in building perceptions, influencing course of events and mounting pressures on the Governments have emerged as important areas influencing security management of a country. Most visible example was the role of media during Kandhar Hijacking in December 1999, which practically forced a decision on the Government to concede to the demands of hijackers against its better judgement. Similarly, following India's nuclear tests the orchestrated clamouring by the interested think tanks and western media completely distorted the Indian viewpoint. Seemingly independent, a large number of these platforms are raised, patronised and financed by the interested states and their intelligence agencies to sub-serve the interests of the sponsoring state.

These non-state actors, however, at times have also

come to play a constructive and a positive role in areas like conflict resolution, prevention of human rights violations and building up international opinions on issues like state sponsored terrorism etc. Following the 11 September terrorist attacks, these NGOs played a significant role in focussing the world attention towards the danger presented by Islamic terrorism as also generated desired pressure on terrorist sponsoring states like Pakistan.

The Regional Environment

India's regional environment has been the main source of its security concern not only from external point of view but also on account of its impact on internal security. When NDA assumed power, conditions both in its immediate and extended neighbourhood were not conducive to its best security interests.

(A) Pakistan

After bleeding India in Punjab for over a decade, Pakistan mounted a virulent form of trans border terrorist offensive in J & K using the infrastructure, terrorist hardware and the trained cadres, which were raised with western support for anti-Soviet operations in Afghanistan. Besides J & K, it targeted other parts of the country for sabotage, subversion and espionage in collaboration with fundamentalist groups, organised crime syndicates, drug traffickers, gunrunners, currency counterfeiters etc. Pakistan also made sustained efforts towards intelligence encirclement of India by establishing its Covert Action bases in Bangladesh, Nepal, and Middle East etc. Large and extensive networks of spies, saboteurs and subversive groups, launched and controlled by ISI station Chiefs in Kathmandu, Dhaka, Dubai, Riyadh etc. were operationalised to undermine India's security. The intelligence' bases facilitated movements of terrorists, channelising of funds, counterfeiting and distributing fake currency, gun running etc. for the terrorists and other groups.

ISI was providing sanctuaries, camps for training,

weapons and finances to different terrorist outfits, like Lashkar-e-Toiba, Hizbul Mujahideen, Harkat-ul-Ansar, Harkat-ul-Jehadi-Islami etc. Financial, logistic and other support was extended to these groups in proportion to their ground performance, thereby encouraging competitive violence. The covert offensive was carried out under an extensive, well coordinated and calibrated action plan, at least till 2002 when under increasing Indian pressure and changed global scenario it had to be more circumspect and cautious in handling its covert operations.

In mid-1999, Pakistani regulars in disguise and heavily weaponised intruded in large numbers into Kargil sector of J&K and occupied some features of high military value. The unprovoked aggression was a well-planned move to take control of the strategic heights in the Kargil Sector thereby threatening the Leh artery endangering Ladakh sector. This posed a major military and political challenge to the NDA Government and on both the counts the NDA Government gave an excellent account of itself. Vacating the intruders from its entrenched position it was able to reclaim all its territory and achieve military dominance in this difficult high altitude area. Politically, it was able to mobilise international opinion and fully expose Pakistan's dubious and treacherous game plan in J&K. In the face of global condemnation Pakistan was internationally isolated and its sustained propaganda on J&K lost much of its credibility and legitimacy.

With the military coup in Pakistan in October 1999 and General Musharraf, the architect of Kargil, usurping power, the security environment from India's perspective got further vitiated. At that point of time his pro-Taliban and pro-terrorist proclivities did not behave well for the peace process, which had been started by Prime Minister Vajpayee with his historic visit to Lahore. Musharraf's aggressiveness and perfidy during Agra Summit in July 2001 were clearly indicative not only of his pathological fixation on centrality of Kashmir issue, but more disturbingly refusing to accept violence in Kashmir as

a terrorist phenomenon and justifying it as an indigenous freedom movement of the Kashmiris. This amounted to Pakistan unwilling to abandon the option of supporting terrorism as the means to achieve its political objectives in Kashmir.

Pakistan was also pursuing its policies in Afghanistan with an object of gaining the strategic depth *vis-à-vis* India. Its China policy was also essentially India-centric. It was using the OIC platform, leveraging its Islamic identity, to garner support for Pakistan's position on Kashmir, an effort in which it did achieve some success. Acquisition of Nuclear capability by Pakistan in mid 1998 intensely complicated the security scenario seriously limiting India's response options.

The major achievement of NDA's Pakistan policy during its five-year term broadly included:

- (a) Vacation of armed intrusion in Kargil and firming up its defence on strategic height of this important sector which provided the lifeline to entire Ladakh sector. International denunciation and isolation of Pakistan considerably strengthened Indian position on Kashmir.
- (b) Though its political and diplomatic demarches it was able to expose Pakistan as a terrorist sponsoring and exporting state. Though the compulsions of the West in post September 2001 scenario prevented adequate and decisive action against Pakistan, the complicity and connivance of Pakistan in supporting Islamic Terrorism was universally acknowledged. It was subjected to international pressure to roll back its terrorist infrastructure, which helped India to some extent.
- (c) NDA was able to initiate a peace process with Pakistan without giving it any concessions in its principled position in respect of terrorism or diluting its stand on Kashmir.
- (d) It succeeded in seriously eroding the control and influence of Pakistan over separatist groups like Hurriyat, with moderates defying them and opening

up the dialogue process with the Government.

(B) China

Following India's major military setback in 1962 war against China and losses of territories in Western and Eastern sectors the bilateral relations between the two countries have continued to remain strained. Despite commonality of interests and perception on many international issues, the unresolved border dispute prevented growth of optimal relations between the two major Asian neighbours. NDA Government aware of the long-term strategic need of tackling China, which was fast gaining new strengths and capabilities, both economic and otherwise. Following its modernisation programmes, there had been spectacular accretion in China's economic, military and political strengths.

India had to match its strategic capabilities to protect its interest against a neighbour with whom it shared a 4,056 kms long border and had a long pending border dispute. China's growing atomic and missile capabilities, ambitious naval expansion programmes, new defence technology acquisition and development programme, defence oriented infra-structural build up in Tibet all presented a serious security challenge for India. China was also making concerted efforts to expand its arc of influence to India's disadvantage by forging defence cooperation with almost all the countries surrounding India. Besides Pakistan, with which it had a long established relationship spanning over 3 decades, it was actively engaging Myanmar, Bangladesh, and Sri Lanka etc. in this endeavour.

China's spelling out its strategic goals in its white paper brought out in October 2000 only confirmed India's strategic apprehensions. Painting a gloomy picture of international security scenario it stated, "China will have to enhance its military capability to defend its sovereignty and security through military means." The principles of Chinese defence policy, including the doctrines governing use of nuclear weapons, were clearly indicative of its

pursuing an assertive military policy. China in its strategy paper also came out with extensive justifications supporting enhancement of power projection in the region and the world and the document asserted that “the primary objective of its strategy was to develop armed forces with the ability to dominate military affairs in the South and East China Seas by about 2010.

Taking a long term and comprehensive security view the Government took series of initiatives to beef up its security preparedness *vis-à-vis* China. The following steps in this connection are notable:

To match China’s development and acquisition of strategic weapon systems, particularly in the field of nuclear and missile development, the Government took some bold decisions. In May 1998, nuclear tests were undertaken which was aimed at developing a credible deterrence. This objective was fully achieved. Simultaneously, series of efforts were made to develop our Surface to Surface to Air and Air to Surface Missile systems. India successfully carried out its Missiles testings.

The Policing of Chinese border was improved. Following the principle of ‘one border one force’, Indo-Tibetan Border Police was entrusted with the responsibility of guarding the entire Tibetan border. Border patrolling, observations and surveillance was considerably upgraded. Keeping in view our tactical and strategic requirements, infrastructural facilities along the Tibet border were also augmented.

As part of its overall policy, the NDA Government made serious efforts to engage China in a dialogue process and improve the level of bilateral trust in their relationship. External Affairs Minister, Shri Jaswant Singh visited China in June 1999, a visit of an Indian External Affairs Minister after a gap of eight years. There were useful exchanges of views and the two sides agreed to jointly celebrate the forthcoming 50th anniversary of establishment of diplomatic relations in 2000. In June 2000 to celebrate the anniversary, President of India

paid a state visit to China in May 2000. During the visit the two Presidents agreed to enhance bilateral interactions, to enhance mutual cooperation. An eminent persons' group was also formed.

The visit of Mr. Li Peng, Chairman of the Standing Committee of the National People's Congress, in January 2001 was an important event in bilateral relations of the two countries. Li Peng in his speech in Delhi asserted that deepening understanding, fostering friendship and strengthening cooperation, was necessary for the future of two countries. He stated that China did not consider India as a threat and would like to develop closest neighbourly relations with it. In continuation of this increased high-level interface, Chinese Premier Zhu Rongji paid an official visit to India in January 2002. This was a visit by a Chinese Premier after a gap of ten years and was of considerable political importance. Premier Zhu stated that his visit was to "develop friendship, deepen trust and expand cooperation". During the visit the two sides also agreed to establish a bilateral dialogue mechanism.

During the NDA's rule, meetings of the India China Joint Working Group on the Boundary Question were regularly held. Both sides maintained peace along the LAC. There was serious and fruitful engagement of defining the LAC for which both sides exchanged maps of the LAC, as perceived by them in the Middle sector.

During NDA's rule the India-China relations achieved a new level of trust and understanding. The trade and economic cooperation between two countries also showed an upward trend.

(C) Afghanistan

When NDA assumed power, in Afghanistan Taliban, controlled and guided by Pakistan, was practically in control of whole of Afghanistan, except secluded Northern Areas. Northern Alliance troops confined beyond Panjsher valley were badly led, fragmented and ill equipped. Patronised by Taliban, Al-Qaeda led by Osama Bin

Laden had established its garrisons in Kandhar and other important locations in Afghanistan from where it was relentlessly carrying out its crusade against the perceived enemies of Islam which included India. Pakistan army and the ISI were working in close tandem with the Taliban and under an institutionalised arrangement Pak ISI and army officers were both in tactical and strategic control of matters having a bearing on internal or external security.

Though Taliban had started attracting international ire for its brutality, religious intolerance, drug trafficking, gunrunning etc, no concerted international action was taken against them, and their mentors in Pakistan. The world at large could not gauge their terrorist potentialities till the inevitable happened on 11 September, 2001. Ironically, in December 1999 when Indian Airlines plane was hijacked to Kandhar the international pressure on Afghanistan and Pakistan was more for form than substance.

The situation underwent a fundamental change following US military action after September 2001 leading to throwing away of Taliban regime and degradation of their cadres in the military action that ensued. The NDA Government taking advantage of the changed situation took series of steps to recoup some of the lost ground that it had conventionally held in Afghanistan. Under Ambassador S.K. Lambah a team was specially constituted to help Afghanistan in its reconstruction effort. Special relations were developed with Karzai's Government, high level visits were exchanged and India took series of initiatives on developmental side as also infra-structural build up.

(D) Bangladesh

On assuming power the NDA Government found the situation in Bangladesh not conducive to India's best security interests. Following the assassination of Sheikh Mujib in 1975, there had been steady erosion in India's clout and influence there and deep entrenchment of anti-India and Islamic fundamentalist forces. In 1976, ban over

pro-Pak organisations was lifted and in 1977 the nation bid farewell to secularism. In 1988, Islam was declared as the state religion and by 2001 Jamiat-e-Islami, which stood totally discredited during the freedom movement, became part of the coalition Government.

With the strengthening of fundamentalists, Pakistan was able to increase its influence and control over Bangladesh including its Government, political parties, Army, intelligence agencies and Islamic groups, both at the policy formulation and functional levels. This trend became particularly pronounced after Khalida Zia, supported by Islamic parties like JEL, came to power.

In Bangladesh, extremist Islamic group of the Jehadi variety had mushroomed, notable among them being Harkat-ul-Jehad Islami (HUJI), Okeya Jot, Harkat-ul-Ansar, Chhatra Shibir etc, which seriously militated against India's security interests. It is significant that Mir Hamza of Bangladesh's Jamait-e-Ulema along with Osama Bin Laden was one of the signatories to the Fatwa of Jihad jointly issued in 1998 by 'International Islamic Front for Jihad'. Following the September 2001 crackdown by US troops in Afghanistan against Taliban and Al Qaeda activists, a good number of them escaped for safety to Bangladesh with the connivance of ISI. The local fundamentalist groups provided them shelter, with the connivance and assistance of local security agencies. The growing strength of Islamic bodies/ forces and their wide acceptability was evident when in January 2002 Tabligh Jamiat organised a congregation, which was attended by over 40 lakh supporters from 63 countries. This menacingly growing influence and support base of the fundamentalist forces was a matter of serious concern to India. The minorities in Bangladesh had been totally subjugated.

Bangladesh with impunity has been providing safe sanctuaries to North East insurgent groups particularly ULFA and NDFB of Assam, NSCN (IM) of Nagaland and NLFT of Tripura. The intensity of demographic invasion from Bangladesh had also assumed serious proportions

While the bordering states of North-East, West Bengal and Bihar were worst affected, the illegal immigrants had found their way to many other parts of the country in the hinterland including UP, Maharashtra, Orissa, Delhi etc. The policing of 4,351 kms border, large stretches of which were highly porous and treacherous, posed a serious problem. The problem got compounded with the thinning out of BSF in J&K and North-East from Bangladesh border for maintenance of internal security. Bangladesh also provided a safe route for supply of weapons to Indian terrorist and insurgent groups in which the connivance of some senior Government functionaries was strongly suspected. The arms haul with over 1400 AK series of rifles being smuggled through Chittagong, in which the complicity of a senior JEI Minister was strongly suspected is a case in point.

The other area of concern for India was the increasing defence cooperation between Bangladesh and China. This cooperation had strategic import for India, particularly in the context of India's security interests in Indian Ocean.

(E) Myanmar

Myanmar continued to be ruled by the military junta, which was less than responsive to India's security and other concerns. Over the years India had pursued the policy of relative disengagement with the military regime, as it was opposed to the movement for democracy. Partly contributed by India's indifference, by mid-Nineties Myanmar had almost totally slipped into Chinese sphere of influence. The two countries had forged strong military ties leading to setting up of new ports with Chinese aid, building up of ambitious China-Myanmar road, development of river communication system etc. Through Myanmar, China had practically got access to the warm waters of Bay of Bengal, which had security implications for India. China was further able to establish a radar station at Great Cocoa Island with a 150 feet antenna, which could well be used for monitoring India's rocket test site at Balasore in Orissa.

All these developments militated against India's security interests.

Myanmar had long been a safe sanctuary for North-Eastern insurgents. The NDA Government had to tackle this problem, as North-Eastern insurgencies could not be effectively tackled as long as their trans bordered bases remained intact. Myanmar had also become a conduit for smuggling of weapons and drugs through our Eastern frontiers.

(F) Nepal

As the only Hindu State in the world, BJP had special interest in developing close relations with it. In Nepal, the fast erosion in the credibility and legitimacy of the state institutions, particularly the monarchy and democratic parties was pushing Nepal towards political instability, if not anarchy, when the NDA Government assumed power. Exponential growth of Maoists had become a major threat to the Himalayan Kingdom, which had a weak security infrastructure to contain their activities. The entrenchment of Maoists also had implications for India's internal security, as the Left Wing Extremism was fast spreading its tentacles in India's hinterland. With long, unmanned and porous border with easy accessibility and close affinities among the border people, any destabilisation or disturbances in Nepal were bound to have repercussions for India. Any civil war situation or serious break down in law and order could lead to large-scale migration of population.

Pakistan since mid-1980s had established its intelligence bases in Nepal which had developed access and influence in Nepal's corridors of power. ISI's mission objective in Nepal was to support the ongoing covert operations in India. By the time NDA came to power it had become a strong ISI base, safe infiltration route for top terrorist commanders, route for channelisation of terrorist funds, source of smuggling of counterfeit Indian currency and drugs and under world heaven for Indian crime syndicates. Most of the Pak ISI espionage networks

directed against India were launched and controlled from Nepal.

Internal Security Scenario

When the NDA Government came to power country's internal security situation was highly vitiated by a virulent form of terrorism, let loose in J&K, festering insurgencies in North-East, deep entrenchment of left extremists in the badly governed hinterland and sprouting of foreign controlled modules of sabotage, subversion and espionage in distant parts of the country. It had an insecure and porous border with Pakistan and Bangladesh, an unsettled border with China and a totally unguarded border with Nepal. It also had coastal border of nearly 7600 kms that was frequently poached and large scale smuggling through high seas was a regular phenomenon. The vote bank policies and wrong policies of the successive Government had created fissures in the civic society which stood fragmented in communal, caste, ethnic and linguistic lines. Expertise in dividing the people along these fault lines for political advantage had become the hallmarks of political capabilities and genius. Power politics had become an instrument of dividing rather than uniting the society and the country. The nexus between crime and politics had assumed painful proportions. The corruption had permitted itself deeply in every area of governmental functioning and consequently despite good policies the delivery system of the administration to provide succour and relief to the common man was a far cry. The bad governance caused disaffection, alienation and anger amongst people particularly in tribal and backward areas, thereby releasing forces of instability, violence and lawlessness.

A major chunk of the army had been diverted from its conventional role to help civil administration in maintenance of internal security thereby adversely impacting on their combat preparedness, training, morale etc. Despite sharp accretion in the strength of Para military forces, the Centre was finding it difficult to cope up with the ever-increasing requirement of different State Governments in the wake of fast deteriorating law and order situation. The security forces were suffering casualties at unaffordable rate in terrorist infested areas and the average casualty

figure for police men alone was over 1000 a year.

The Group of Ministers constituted for reforming national security underlined the centrality of internal security in the country's security. They emphasised that, while the threats from "inter-state wars had significantly declined threats to internal security had considerably increased due to cross-border interference by one State in the internal environment of others. This trend is likely to continue at least in the short and medium terms." This view was corroborated by all the national and international studies on India's security management. US Defence Analyst Group Report stated that, "India's 80% security vulnerability is domestic in nature - though often accentuated by external factors."

Internal security, often a low priority item with the Centre on the premise that of law and order was state subject, received the deserved high attention during the NDA regime. Grappling with terrorism, and other forms of Pak sponsored covert offensive, became a national imperative in the wake of global and domestic developments of far reaching consequences. The 11 September terrorist attacks in the US radically changed the global perception of the viciousness, reach and dangers of Islamic terrorism, a fact that India for long has been at pains to explain to the world.

(A) Terrorism

Both at the internal security front and in its international context terrorism occupied the center stage position during NDA's rule. The epicenter of global terrorism had shifted to South Asia with an exponential enhancement in threat levels. Access to sophisticated weapons, state of the art communication equipment, availability of ordinance grade explosives and global financing had given unprecedented strength to terrorist groups. The emergence of 'suicide attacks' as a potent tool multiplied destructive potential of the scourge.

India had been a major victim of cross-border terrorism for more than two decades. Till 2004, it had taken a toll of over 62,000 lives in Jammu and Kashmir, Punjab, North-East and naxalite affected states. It included more than 32,000 persons killed in J&K and 18,500 in

Punjab alone. Over 7,50,000 persons had been rendered homeless in their own country and forced to leave their homes in the wake of terrorist threats. The seizure of over 50,000 weapons, mostly AK series of assault rifles, rocket launchers and machine guns, 70,000 grenades, 40,000 kgs of explosive and over 40,00,000 rounds of ammunition provides a glimpse of the fire power acquired by the terrorist groups. Besides these astounding physical losses its impact on India's polity, its national will, core values of the constitution etc, though non quantifiable, had been colossal.

The threat to the democratic polity was clearly visible in the attacks on the Indian Parliament, J&K assembly, killing of a large number of political activists (over 400 killed in Jammu and Kashmir alone) and representatives of media, intellectuals etc. Repeated conspiracies to assassinate the Union Home Minister and attempts on the lives of other VIPs, like Chief Ministers of J&K, Gujarat, Andhra Pradesh etc. are indicative of their designs to destabilise the democratic polity. Attempts to disrupt elections in J&K, open threats to candidates who participated in or were elected during the J&K elections, killing of Abdul Gani Lone, a moderate Hurriyat leaders were all in furtherance of the strategy to stun to silence all opposition through bullet.

Terrorism also constituted a threat to the national economy in various forms. Direct attacks on economic targets like stock exchanges, vital installations, power lines, bridges, financial institutions etc. by the Islamic terrorists, North-Eastern insurgents and Left Wing Extremists have been quite frequent. The second variant has been money activities like forcible collections, kidnapping for ransom, counterfeiting of Indian currencies, smuggling, drug trafficking, illicit trades practices etc. Hawala activities and illegal receipt of funds from unauthorised sources like ISI has been another source of concern. At the social front steps like 'Banning' of TV, attacks on beauty parlours, enforcement of dress code etc. are frequent attempts made to undermine traditional tolerant cultural and social practices aimed at forcing their ideologies

over people through coercion.

A sinister dimension of the phenomenon has been networking of terrorist groups with the criminal underworld, gunrunners, smugglers, drug peddlers and the network of 'hawala' operators. Investigations in the Mumbai blasts (12 March, 1993), the Lajpat Nagar blasts (21 May, 1996), the shoot out at the American Centre in Kolkata (22 January, 2002), Kandhar hijacking etc. clearly established it. The tendency to operate from globally dispersed modules was also clearly visible. In Nepal, the Jammu Kashmir Islamic Front (JKIF), Al Umar Mujahideen (AUM), Jammu Kashmir Liberation Front (JKLF), Jaish-e-Mohammad, Lashkar-e-Toiba, etc. had their bases and infiltration routes for which all the infra-structural support was provided either by the Pakistan mission there or the crime syndicates. Illustratively in the case of the hijacking of IC-814 from Kathmandu to Kandhar, Pakistan Diplomatic Mission played an active role including facilitating movement of men and material, emigration help and providing Indian currency to the hijackers.

Pakistan's support was central to the growth, sustenance and survival of terrorist outfits operating in India. It had been acting as the fountainhead of terrorist activity directed at India, providing logistical support across the entire spectrum including bases for recruitment, motivation, training, infiltration, exfiltration, arm supply, safe haven, finance, planning and guidance (strategic, tactical and operational) to terrorist groups. A large number of training camps and transit-cum-office camps were located in Pak Occupied Kashmir and Pakistan. Leaders of Islamic fundamentalist groups and other Islamic scholars engaged by the ISI were frequently used for recruitment and motivation of the youth. Most of the top leaders including Syed Salauddin, HM Supremo and the Chairman of the PoK based United Jihad Council, Bilal Ahmed Beg, JKLF Chairman, Mushtaq Latrum, Chief of Al Umar Mujahideen, Prof. Hafiz Syeed, Chief of Markaz-Daawa-wal-Irshad, Zaki-ur-Rehman, Chief of Lashkar-e-Toiba, Bakht Zameen,

Al Badr Chief and Maulana Masood Azhar, Jaish-e-Mohammad Chief etc. had been provided shelters, bases and all facilities for running their outfits and organising terrorist acts in India. Despite repeated assurances given at the highest level to the international community regarding non-use of its territory for terrorism, Pakistan took only cosmetic steps to dismantle the terror infrastructure, stoppage of cross-border terrorism, infiltration etc.

In Jammu and Kashmir, terrorism was at its worst when NDA Government came to power. A large number of terrorist outfits had mushroomed, notable among them being Hizbul Mujahideen, Lashkar-e-Toiba, Harkat-ul-Ansar, Harkat-ul-Mujahideen, Harkat-ul-Jehadi Islami, Al-Umar etc. The infiltration was in full swing and in 1997 the State Government had reported infiltration of nearly 2,600 militant cadres. (The corresponding figure for 2003, the last completed year in office by NDA stood at 383.)

The attacks on Indian Parliament on 13 December, 2001, J&K Assembly on 1 October, 2001, Akshardham temple in Ahmedabad on 24 September, 2002, American Centre in Kolkata on 22 January, 2002, etc. are illustrative of the reach, intensity and nefarious designs of the terrorists. It, however, goes to the credit of NDA Government that the terrorists involved in all such spectacular incidents of violence were duly accounted for and could not escape the consequences of their inhuman depredations. While in the Parliament attack case all the five terrorists were killed before they could take on their intended targets. However, 9 police force personnel laid down their lives in protecting the highest seat of Indian democracy. Dy. Prime Minister L.K. Advani personally supervised and guided the follow up action that led to arrest of other persons who were behind this conspiracy. Eventually, the Jaish-e-Mohammad operational Chief Ghazi Baba who had master-minded this operation was also killed in an encounter. Similarly, in the attack on Akshardham temple in Ahmedabad in which thirty people were killed and over 100 injured both the terrorists of Lashkar-e-Toiba

responsible for the massacre were gunned down by the NSG commandos, two of them becoming martyrs in the process. The clear political direction and leadership raised the morale of Intelligence agencies and security forces that were prepared to make highest sacrifices for meeting the grave national threat. During five years of NDA rule nearly 9000, large number of them terrorists, were killed and nearly 900 arrested who had let loose a mayhem in different parts of the country. This is an unparalleled record of achievement that the NDA Government can rightly be proud of. However, more importantly it considerably dented the will of terrorists.

Another notable event on terrorist front during NDA regime was the hijacking of Indian Airlines flight from Kathmandu in December 1999. Five terrorists owing allegiance to Jais-e-Mohammad hijacked the Indian aircraft to Kandhar in Afghanistan. The hijackers, supported and helped in Kandhar by ISI backed Taliban regime and Al-Qaeda leadership which was closely affiliated to the outfit, demanded release of 36 of terrorists lodged in Indian jails, and US \$200 million in return for release of the hostages and the aircraft. Following the killing of Rupen Katyal and serious injuries to Satnam Singh it was amply clear that the threat was real and eminent. The domestic pressure, mainly from the relatives and friends of the hostages, unduly hyped and emotionalised by the media made it difficult for the Government to handle the hijacking in a totally professional manner and in a way it considered best for the country and safety of the hostages. With the mounting pressures on one hand and the possibility of hijackers taking recourse to a desperate action the Government tried to minimise the losses. With the release of three of the imprisoned terrorists from Indian jails the hostages and the aircraft were safely brought back to New Delhi. However, immediately after the event, a small group was formed in the Intelligence Bureau to prepare a draft of national policy to deal with such terrorist related incidents. The policy was framed by the Home Minister and it was clearly laid

down that as a matter of policy no concessions, political or otherwise, will be made to the terrorist demands under coercion.

With a view to strengthening the hands of the security agencies in dealing with terrorism and allied threats, the Government initiated several legislative measures. The Prevention of Terrorism Act (POTA) was enacted which was found to be extremely effective in dealing with the terrorists, their supporters and financiers. This enactment was indicative of the Government's firm resolve to crush the forces of terror. The Act was also in consonance with various UN resolutions on terrorism to which India was a signatory. The Prevention of Terrorism Act (POTA) covered a wide spectrum of activities including recruitment, enticement, harbouring or participating in meetings of the terrorists besides possession, procurement, transportation of arms, explosives and other items of terrorist use. It incorporated stringent provisions for dealing with the financing of terrorism, distribution and use of funds, and made it possible under the law to freeze, seize or forfeit such funds/property. The Act had adequate safeguards to prevent its misuse and abuse. The Act brought about some major procedural changes to deal with the terrorist cases like admissibility of certain types of evidence, which considerably strengthened the hands of police. Around 30 major terrorist groups operating in India and abroad like Al Qaeda, Lashkar-e-Toiba, Jaishe-e-Mohammad, Harkat-ul-Mujahideen, Harkat-ul-Ansar, Babbar Khalsa International, Khalistan Commando Force, International Sikh Youth Federation etc. were banned under the Act. The step taken by Government of India made it possible for it to prevail over USA, UK, European Union etc. to declare them as terrorist organisations.

The Law Commission and various other organisations had been suggesting review of the existing Criminal Justice System to bring about qualitative improvements in the justice delivery system. The Government appointed a committee under the chairmanship of Justice V.S. Mallimath

to go into the whole gambit of judicial administrative system in the country and suggest improvements. The Committee submitted its report in 2003 and its recommendations were under active considerations of the NDA Government for implementation when it was voted out of power.

In terms of executive actions to bring about synergy and coordination, the Government constituted Multi Agency Centre and Joint Task Force in Intelligence Bureau to create central and state security agencies, pooled all their information in respect of terrorism and well-coordinated operational actions were planned and executed. The three armed forces were also represented in Multi Agency Centre through their intelligence directorates.

The Government was able to formulate clear-cut policies to deal with terrorism and militancy. The police was directed to deal with them firmly within the framework of law that had been suitably amended to meet their genuine requirements in fighting the battle against terrorism. Their infirmities in terms of equipment, weapons, communications etc. had been largely met through allocation of Rs. 1,000 crores annual modernisation grant. The army was essentially used to contain trans-border infiltration, disruption of communication and logistic supply networks and undertaking surgical operations against terrorist targets requiring higher firepower. As a result of all these measures, in J&K alone over 7,100 terrorists, over 45% of them foreign terrorists, were killed between 1999 and 2003. Over 2,100 terrorists were killed in the year 2001 alone, marking it the highest level of terrorist neutralisation since the inception of terrorism in J&K. This is an unparalleled record in fight against terrorism anywhere in the world, which the NDA Government can rightly be proud of. More importantly, it broke the will, disrupted the infrastructure and denuded the terrorist groups of their senior leadership.

(B) Jammu and Kashmir

As a consequence of historic drifts and missed opportunities, emboldenment of Pakistan after its successfully bleeding India, in Punjab and Covert Action success in Afghanistan, Pakistan let lose a virulent form of terrorism in J & K. The terrorist groups controlled, weaponised and financed by Pakistan had deeply entrenched themselves throughout J&K, except Ladakh. The attrition rate of Indian security forces, which averaged at between 1991 and 1997, was at an acceptably high level. The borders were porous and Pakistan through an elaborate network of border guides, carriers of weapons and launching Commanders of each outfit were able to infiltrate over 1500 militants annually for causing terrorist depredations in J&K. Covering fire by Pak Rangers was often given to ensure safe passage and divert the attention of Indian border forces.

Pakistan had positioned on the ground a well-oiled system for replenishment of weapons and explosives to the terrorists, ensuring adequate supply of weapons to them. Arm caches at safe places in collaboration with overground workers were established to ensure steady supply of weapons. It was a serious and daunting challenge for the NDA to restore a semblance of normalcy in J&K at the terrorist front.

All Party Hurriyat Conference (APHC), an overground front of the separatists floated by Pakistan to provide political veneer of an indigenous 'freedom movement' to a blatant form of state sponsored terrorism, had acquired political space and influence disproportionate to its actual support. Fear of the gun was absolute and Pakistani terrorists and separatists virtually controlled the media.

The Pak sponsored proxy war in Jammu and Kashmir received highest attention of the Government and concerted efforts made brought about a perceptible improvement in the situation. By the time, NDA demitted office in mid-2004, terrorist situation in J&K had been brought well under

control and most of the terrorist outfits had suffered heavy degradation including neutralisation of over 250 senior commanders.

The average civilian casualties prior to 1998, which stood over 1100 persons killed every year, came down to below 800, a decline of about 30%, for the period 1998 to 2004. Similarly, taking 1998 as the base year, incidents of terrorist violence in last four years declined by nearly 28%. There was thus a perceptible improvement in the security environment in the state with local recruitment to terrorist ranks falling below 68%. The support base of the separatists had also undergone sharp erosion and there was much greater cooperation from the people in counter-terrorist operations.

Conduct of successful Assembly elections in September 2002 in the face of serious threats extended by the terrorist outfits was a major achievement. Despite terrorist attacks on prospective candidates, six hundred and ninety eight (698) candidates contested for 87 Assembly seats and braving the terrorist warnings over 44% caste their votes. The elections, which were widely covered by the national and international media, were widely acclaimed for their fairness and orderly conduct.

Series of measures were initiated by the NDA Government to strengthen border security as bringing down the level of infiltration from across the border, deployment of additional forces was considered by it the crucial element in control of terrorism the most important and ambitious plan undertaken was of fencing the border and LoC in the face of heavy firing and resistance from the Pakistani side. By mid-2004 more than 500 kms of border in the state of J&K had been fenced. In addition, installation of sophisticated intruder detective systems, development of roads to inaccessible areas, beefing up border intelligence etc., were undertaken, which considerably enhanced the interdiction capabilities of the security forces. While over 14,000 terrorists had infiltrated into J&K in the four-year period prior to

1998, the figure came down to nearly 9,000 in post 1998 period, depicting a 35% decline.

A comprehensive action plan for J&K was formulated by the Government in 1998, which laid particular emphasis on bringing down the level of militancy, improvement in border management, protection of minorities and isolating the separatist forces. This long-term policy paper became the strategy paper for J&K and proved highly useful. As a result of various measures taken, nearly 8000 terrorists were neutralised during 1998 and 2004. Significantly, the number of foreign mercenaries killed during this period was over 2100, as compared to less than 800 during the corresponding period prior to 1998. The SF operations also resulted in large scale recoveries of terrorist weapons during the period which included over 90 missiles, 1200 rocket launchers, 150 grenade launchers, 7500 AK rifles, 36500 grenades, 16800 Kgs. of explosives, 7000 kgs RDX, 4195 bombs, 3152 rockets and 2300 WT sets. The record recoveries substantially dented firepower of the militants.

In order to prevent the flow of funds to terrorist and separatist outfits in J&K, an operational offensive was launched in 2001, which resulted in busting of about 15 Pakistan sponsored financial channels and recovery of currency amounting to over Rs. 4 crores.

Reducing the alienation levels of people in J&K, the 1998 policy paper also laid emphasis on various steps aimed at good governance. The Government took various steps to address the genuine grievances of the people and undertake various developmental initiatives. While terrorism was being fought with full vigour initiating a political process for conflict resolution was also attempted. The Prime Minister announced a ceasefire during the Ramzan period on 28 November, 2000 providing an opportunity to the alienated sections, including militants, to join the process of reconciliation and resolution. However, since the separatists declined to respond to the offer under pressure from Pakistan, after several months of unilateral ceasefire security forces started (31 May, 2001)

anti-terrorist operations. With the objective of providing another opportunity, on 5 April, 2001 the Centre set up a committee headed by Shri K.C. Pant as the Chief Negotiator to conduct a dialogue with a cross-section of people, including the separatists, in the quest for peace before calling off the ceasefire. To address the demand of autonomy, in July 2002, Shri Arun Jaitley was appointed as the 'Representative' of the Central Government to hold discussions with the 'representatives' of the Government of J&K and other groups/persons on the issue of devolution of powers.

To carry forward the process of reconciliation and engaging the recalcitrant groups in the peace process Shri N.N. Vohra was appointed as the Government of India's interlocutor for J&K with a mandate to engage all parties, groups and sections of the J&K civic society in the peace process. The most notable initiative was, however, taken in October 2003 when the NDA Government announced its willingness to talk to Hurriyat. It was a very bold initiative and created a wedge between the hard liners like SAS Gilani, who were totally opposed to any peaceful process and the moderates, who were willing and in much greater majority. The hardliners were isolated and despite all the pressures mounted by Pakistan and the threats extended by terrorist groups, two rounds of talks were held between the Hurriyat leaders and Dy. PM in 2004. The talks helped in raising the level of mutual trust and confidence and Hurriyat giving positive indications of distancing itself from violence and no more willing to be dictated by Pakistan.

The Government was also successful in exposing Pakistan's role in sponsoring terrorism in J&K during various bilateral and multilateral meetings, as a result of which there was greater understanding and support for Indian position on Jammu and Kashmir. Efforts in this direction led to declaration of organisations like Jaish-e-Mohammad, Lashkar-e-Toiba and Harkat-ul-Mujahideen as terrorist outfits by USA, UK, Canada, European Union

etc.

Under the comprehensive J&K action plan of 1998, Rs.192.53 crores were earmarked for strengthening/modernisation of J&K police. Under the plan, 3 Battalions of India Reserve Battalions, 5 Companies of District Armed Reserve, 114 Border Posts, 3,700 Special Police Officers, Rs.10 crores grant for modernisation of vehicles and arms and ammunition were provided. The Central assistance helped in strengthening the J&K police and augmenting its operational efficiency.

(C) North-East

North-East, as a region, has some unique characteristics and consequently problems, which are quite peculiar to it. Nearly 99% of the region's 5200 kms border is with other countries and only little above one percent with rest of the country. Of the total international frontier of 5,123 kms, 1,126 kms is with China, 1,561 kms with Bangladesh and 1,961 kms with Myanmar. With all these three countries, India enjoys low degree of comfort level on one count or the other. The borders with Bangladesh and Myanmar, which are used by North-East insurgents as their hideouts, are porous and easily negotiable. The thick forests, hilly terrain, poor communications and weak security and administrative infrastructure make it an ideal terrain for guerrilla warfare. The population living on both sides of the international border has linguistic, ethnic, cultural and historical linkages. All these factors render access control from security point of view difficult.

Nearly 40% of the region's 3.2 crores population is tribal, divided in over 200 tribes, living in insulated socio-economic environment and educationally and economically backward. All these factors have prevented the local population from getting integrated with the national mainstream in socio-political life of North-East, religion plays a relatively dominant role in conditioning the social and political thinking of the people, particularly the gullible tribal population. Spread of alien religion of non-Indian

origin and near disappearance of their tribal belief systems has generated its own divisive dynamics. Immediately after independence, the Naga Hill areas of the region were affected by insurgency. Since then new areas have come under its spate. Today, in terms of area, 80% of the region is affected by one form of conflict or the other.

The major interface of the common people in the region with rest of the country has been through Indian security forces or some unscrupulous businessmen from the mainland who saw an opportunity in these remote areas of making easy money, particularly after the Government poured in huge developmental funds for economic growth. In course of years, political and administrative mismanagement, vested interests and bad governance accentuated their sense of alienation, as the fruits of various well-intentioned schemes could not reach the common people.

As a cumulative result of all these factors, security profile of the region has remained vitiated. There are more than 24 ongoing insurgencies with 9,000 cadres and more than 16,000 weapons scattered in a small population of three and a half crores. Presently, Assam is the worst affected state with United Liberation Front of Assam (ULFA) and National Democratic front of Bodoland (NDFB) operating as the main insurgent groups. ULFA possesses more than 700 weapons. It has nearly 33 camps in Bangladesh and 12 in Myanmar. Till December 2002 it had a strong presence in Bhutan when the Royal Bhutanese Army took military action to oust them from the Bhutanese soil.

Manipur had been another problematic area heavily plagued by insurgency intricately intermeshed with local politics. Among eight active insurgent groups PREPAK, PLA, UNLF, KLA are notable. They all have their camps in Myanmar and maintain close relationship with other insurgent groups both of North-East and Myanmar. Over the years, these insurgent groups have developed capabilities to influence political developments in the state, mainly using the instrument of coercion.

Tripura had been another badly affected state. Taking advantage of over 800 kilometres long border with Bangladesh, insurgent groups like National Liberation Front of Tripura and All Tripura Tigers Force had been operating with impunity and escaping to Bangladesh after committing acts of terrorist depredations. Both these groups have cadre strengths of over five hundred each and weapon holdings of nearly 400 and 350 respectively. Insurgency in Tripura also has serious communal overtones and tribals versus non-tribals dimensions often leading to violence.

Insurgency in Nagaland has though been mother of all North-Eastern insurgencies, following the peace initiatives with NSCN (IM) and NSCN(K) the state has been relatively violence free except for sporadic incidents of inter group clashes between the rival insurgent groups.

The major achievement of the NDA Government was, however, persuading the Bhutanese Government to take military action against the terrorists operating from their soil. The action taken in December 2002 led to killing of 134 North-East and arrest of 340 North-East insurgents by the Royal Bhutanese Army. ULFA and NDFB of Assam were the biggest sufferers and lost (killed and arrested) 246 and 98 militants respectively. The action by Indian Security Forces against the fleeing cadres further led to neutralisation of 249 cadres of which 117 belonged to ULFA and 104 to NDFB proved to be a major set back to ULFA and NDFB.

The other notable step taken was streamlining border security. Assam Rifles was brought under the Home Ministry and was entrusted overall responsibility of manning Indo-Myanmar border. Bangladesh border, which remained the responsibility of Border Security Force, was the most treacherous and action was initiated to fence it in phases. Better coordination arrangements were worked out with Bhutanese security establishment to ensure that the NE insurgent groups in future are not able to entrench themselves again. In north Bengal, security arrangements

along Indo-Nepal border was also strengthened. Besides, series of diplomatic initiatives with the bordering countries, particularly Myanmar and Bangladesh were undertaken to impress upon the need to take action against the Indian insurgent groups.

In addition, the Government of India initiated various steps to restore peace in the region through process of reconciliation. While considerable progress was made in softening the NSCN (IM) and NSCN (K) ceasefire agreements were worked out with these groups and a ceasefire monitoring mechanism was put in place under Lt. Gen. Kulkarni. Successful talks were concluded with Bodo Liberation Tigers (Assam) that led to their cadres abjuring violence and joining the national mainstream under Constitution of India. Similar peace initiatives had been undertaken to tackle some other smaller insurgent groups like United Peoples Democratic Solidarity (UPDS), which helped in defusing the situation in North East.

In addition the Government of India undertook concerted actions to acclaim the pace of economic growth of these states, various developmental ministries were directed to earmark 10% of their allocations for developmental work in the North-Eastern states. A special Department of North-East Region (DONER) had been set up to address developmental problems of the North-Eastern states.

(D) Islamic Extremism

The vote bank politics of Congress later to be emulated by other regional and sectarian parties, aimed at garnering the Muslim votes, partly by following the policy of appeasement and partly by accentuating their imaginary fears, has been one of the contributory factors in growth of Muslim Communalism in the country. The grave security implications of this short-sighted policy of expediency were either not fully gauged or its implications ignored. The consequence of this ill-conceived policy led to steady growth of Islamic radicalism in the Indian society, which was ignored for political convenience.

Islamic terrorism, which in recent years has attracted the world attention and become a source of global concern, is only a visible manifestation of a much deeper malaise of steadily growing radicalisation in Muslim society under the influence of some extremist Islamic bodies. Following the oil boom of mid Seventies and consequent growth of Pan-Islamic ideologies its debilitating impact on Indian Muslim psyche also became evident. The phenomenon was catalysed by the patronage and financial support extended by some official and non-official sources in Middle-East countries to propagate a particular variety of Islam, alien to Indian ethos. As a result of these activities while in the Muslim majority states the conflict profile took the form of struggle between the moderates and extremist forces for acquiring power, in countries like India it led to Muslims adopting an exclusive aggressive and communal stance. The extremist fringe amongst them, mostly the products of Madrassas run by externally financial Islamic fundamentalist groups, developed propensity for violence in the name of Islam.

One of the important contributing factors to the growth of Islamic fundamentalism in India has been the inflow of foreign funds, mainly from Saudi Arabia and the Gulf States. While only a small segment of these funds found its way into the country through legal channels, the rest is canalised through clandestine channels. The money factor has led to mushrooming of various Islamic bodies often with a Pan-Islamic agenda, which militates against national security interests.

Another worrisome dimension of Islamic fundamentalism has been large scale 'demographic invasion' from Bangladesh and concentration of new pockets of settlements along the Indo-Bangladesh and Indo-Nepal borders. The large-scale intrusion of illegal Bangladeshi immigrants had significantly altered the demographic complexion of North-Eastern states and has serious long-term political, social and economic implications.

In the promotion of Islamic fundamentalism, the madrassas owing allegiance to fundamentalist organisations have played a seminal role. There has been large scale mushrooming of madrassas, particularly in the border areas, which had been channelising young impressionable minds towards Islamic extremism. Madrassas have also been extensively misused by inimical elements for anti-national activity ranging from subversion to active support of terrorism.

The NDA Government on assuming power soon realised that in a systematic and sustained manner Pakistan using the complex network of fundamentalist groups, terrorist outfits, criminal mafia etc. was pursuing a well calibrated and precisionally crafted agenda to destabilise India and threaten its security. While in J&K the primary force was on terrorism, in rest of the country the modus operandi was to establish long-term covert modules for sabotage, subversion, espionage etc. The NDA Government during five years of its rule was able to bust 272 of these modules, which included 97 espionage networks, and 113 modules of sabotage and subversion. It is significant that in preceding five years from 1994 to 1998 only 28 such modules had been busted. In these low publicity but highly sensitive operations from 2000 to 2003, 31 persons were killed and 608 persons arrested which included a large number of Pakistani nationals.

In this phenomenon the role of Islamic fundamentalist organisations, which had sprouted in different parts of the country and engaged themselves in activities prejudicial to national interest had played a seminal role. NDA in its rule did try to contain the activities of these groups. Organisations like SIMI, Al-ummah were banned and a larger number of its activists were arrested and tried for various militant linked activities.

Following are some of the radical Islamic groups operating in the country:

(a) Student Islamic Movement of India (SIMI): Student Islamic Movement of India (SIMI) whose avowed

objective is to achieve “Allah’s pleasure through reconstruction of human life according to principles given by Allah and its messenger” consider core values of Indian Constitution like secularism, democracy and nationalism un-Islamic. They assert that Muslims who owe their allegiance to Allah cannot be the subjects of a man-made Constitution. Aiming to achieve worldwide Khilafat, its war cry is ‘Allah is our Lord’, ‘Mohammad is our leader’, ‘Quran is our Constitution’, ‘Jehad is our Path’ and ‘Shahadat is our Desire’.

Though SIMI’s links with militancy have been known for long, concrete evidence of it came during investigation of fourteen cases of terrorists’ violence that caused 15 deaths and injuries to 80 in UP and Delhi during 2000-01. The investigations brought out a deep nexus between SIMI and Hizbul Mujahideen (HM), a Kashmiri terrorist outfit, and their joint indulgence in serious acts of terrorist violence. One Abdul Momin, a SIMI activist and a student of Aligarh University, was involved in setting up a base for HM activists in Aligarh with the assistance of some other SIMI members. The links of SIMI with Lashkar-e-Toiba (LeT) also came to notice during the investigation of bomb blasts in Ghatkopar, Mulund and Mumbai during 2002-03 and some SIMI activists were arrested. There have been series of incidents in which SIMI workers have been involved in fomenting communal violence and indulging in criminal activities. In this connection Aurangabad Police arrested Ziauddin Sadiqui, former General Secretary of SIMI in March 2001 and his interrogation revealed many startling facts about the organisation’s subversive agenda. SIMI activists also played similar role during communal riots in Kanpur in 2001 in which Additional District Magistrate (City) Kanpur was killed.

SIMI has also come to notice for maintaining links with international terrorist organisations like Al-Qaeda, HAMAS, Muslim Students Union of

Palestine, and World Assembly of Muslim Youth of Saudi Arabia etc. Masood Azhar, the founder of Jaish-e-Mohammad (JeM), who was released in Kandhar following the hijacking, is ideolised by SIMI and his highly provocative anti-India cassettes are played and distributed during SIMI's training camps.

The organisation was banned on 27 September, 2001 by the Government and action was initiated against its activists. A large number of its activists were arrested from different parts of the country and the Government was able to keep a lid over its subversive activities.

- (b) Jamaat-e-Islami Hind (JEI - H):** Its loud pretensions notwithstanding, ideologically, the JEI-H are opposed to the concepts of the secularism, socialism and democracy, the core values of Indian Constitution. The organisation has all through maintained links with JEI-Pak, JEI-Bangladesh, JEI-Nepal, JEI-PoK and similar bodies in other countries. In J&K, Hizbul Mujahideen, a terrorist outfit is an offshoot of JEI (J&K) and its Chief Salahuddin has been a Rukun of JEI (J&K). Having an all India spread, it derives its inspiration from the Muslim Brotherhood (Ikhwan-ul-Musalmeen), of Egypt. The organisation is financially sound and its main sources of finance are from subscription by RUKUNS, earnings from Zakat and Waqf properties and donations from abroad, mainly Saudi Arabia and other Gulf countries. JEI (H) has nearly 5,000 Rukuns and 3,000 Muttafaqueen (sympathisers) in the country.

The central unit of the organisation comprising an eight member Advisory Council (Markazi Majlis-e-Shoora) and a 103 member Council of Representatives (Majlis-e-Numaindgaan) are the apex bodies, both in organisational and operational matters. An Amir who is assisted by 3 Naib Amirs, one Secretary General and 5 hosts of secretaries heads the organisation. The zonal units (halqa) comprise of Halqa Amir and zonal Majlis-e-Shoora. Jamiat has 14 Halqas and 535 local jamaats.

- (c) **Ahle Hadis:** Ahle Hadis is though lesser known is an important organisation, which subscribes to Wahabism of Saudi Arabia and promotes an extreme form of Islam. Lashkar-e-Toiba an important terrorist outfit subscribing to the same interpretation of Islam, enjoys very close relationship with the organisation. The organisation has constructed mosques, particularly along the Indo-Pak, Indo-Bangladesh and Indo-Nepal borders from the funds reportedly received by it from some International Islamic bodies, particularly in the Gulf. The 'Tauheed Educational Trust' in Kishanganj (Bihar) has become an important centre for spread of Ahle Hadees ideology, which is particularly active along Indo-Bangladesh, and Indo-Nepal borders. The Jamaat Ahlul Quran Val Hadis (JAQH), an Ahle Hadees affiliated outfit, is the fountainhead of fundamentalism in Tamilnadu, while the Kerala Nadwatul Mujahideen (KNM) promotes Wahabi fundamentalism in Kerala. In Pakistan, the Markaz Dawa-wal-Irshad and premier terrorist group Lashkar-e-Toiba, both Ahle Hadees linked organisations, having been working in tandem and indulging in militant activities in J&K and other parts of the country. A large number of cases were detected in which Ahle Hadees came to notice for sheltering and assisting Lashkar-e-Toiba militants in furtherance of their terrorist activities.
- (d) **Tabligh Jamaat:** Tabligh Jamaat (TJ) though a low profile theological body, wields considerable influence throughout the sub-continent. In a very systematic and sustained manner. It promotes pan-Islamic orthodoxies among the masses in a very extensive manner. Small groups parties, consisting of volunteers known for their puritan lifestyle and dedication to the Islamic cause move throughout the world propagating orthodox Islamic thought the main emphasis being on the concept of Islamic Millat to which all Muslims should subscribe cutting across their national or other identities. In recent years, it had organised 'World Ijtemas' in Bhopal,

Dhaka and Raiwind (Pakistan) which were attended by hundreds of thousands of followers, in addition to large Ijtemas within the country. Nearly 60 lakh volunteers attended the Dhaka congregation from 40 countries in which impassioned and provocative statements were made against the infidels.

After the death of Maulana Inamul Hassan (Amir, TJ) on 10 June, 1995, no new Amir has been elected. However, Maulana Mohd. Ahmed Lat, Maulana Zubair, Maulana Umar Palanpuri, and Maulana Saad are important personalities of the organisation. Tablighi Jamaat followers have been providing shelter and support to illegal Bangladeshi Muslims in India whom they consider as part of Islamic Millat. They feel that large Muslim emigration in the long run will help in enhancing religious and political clout of the Muslims and converting India into Darul-Islam, the home of Islam.

- (e) **Jamaat-ul-Ulema-e-Hind (JUUH and Darul Uloom Deoband):** Propounders of one of the most important Schools of Islamic Thought in the sub-continent JUUH has a long history and is closely linked to Darul uloom Deoband, an institution located at Deoband near Saharanpur (UP). It was set up in 1866 to counter the influence of English education and preserve Islamic values among the Muslims. In last hundred years it has produced a chain of Ulemas who influenced Muslim society in India, Pakistan, Bangladesh, Afghanistan, Malaysia, Indonesia and other countries. The influence of Darul Uloom declined after the death of Maulana Qari Mohd. Tayyab and factionalism, which led to emergence of two rival factions, under Maulana Asad Madani (President, JUUH) and Mohd. Salim Qasmi (Mohatmin of Darul Uloom – Waqf) respectively. Many of the madrassas in Pakistan and Afghanistan that have been the nurseries of terrorists are followers of this School of Thought. Even the Taliban in Afghanistan claim to be adherents of the Deobandi School.

Terrorist organisations like Harkat-ul-Ansar, Harkat-ul-Mujahideen, Harkat-ul-Jehad Islami and Jaish-e-Mohammad ideologically are affiliated to Deoband School.

Jamaat-ul-Ulema-e-Hind (JUUH) which was founded in 1999 at Deoband (Saharanpur, UP) by a group of Muslim Ulema led by Maulana Mehmoodul Hassan (President, Darul Uloom Deoband) supports the ideal of secularism, democracy and national solidarity and had played a positive role in the nation's freedom movement. However, it is opposed to amendments in the Muslim Personal Law and any modern influences on Islamic practices. It has been in the forefront of championing the cause of persecution of Muslims in Gujarat and had been collecting funds for them.

- (f) **National Development Front (NDF):** In Kerala, the National Development Front (NDF, a pro-SIMI body) actively promotes fundamentalism and militancy. Although ostensibly involved in social welfare activities, it maintains a clandestine apparatus and has been involved in many acts of violence. The NDF runs a number of training centers in Kerala. It also maintains an office in Jeddah, for networking with pan-Islamic organisations. Of late, the NDF has embarked on an ambitious programme of expanding its influence in the state, through new recruitment and propaganda among the Muslims, which has met with considerable success.

Having a secretive cadre-based hierarchical structure, the NDF has a 5-tier structure. The smallest unit is known as the 'unit' and comprises 20 persons enrolled by the Area Convenor. 5 units comprise an 'Area Council', which has the responsibility of coordinating and expanding activities of the NDF. 15 areas comprise a Sub-Division, which has a Sub-Divisional Council. Two or more Sub-Divisions comprise a Division, which is managed by a Division Council. The General Council includes Divisional and

Sub-Divisional Convenors. The General Council elects 9-member Supreme Council. At the apex is the Chairman of the NDF, who is assisted by a 5-member secretariat nominated by the Chairman. E. Amboobacker is the present Chairman of the organisation. The organisation has a claimed membership of about 23,000 and is spread in 10 districts of Kerala, *viz.* Thiruvananthapuram, Kottayam, Trichur, Ernakulam, Palghat, Malappuram, Calicut, Wynad, Kasargod and Kannur.

The members of the organisation have rabidly communal and fundamentalist disposition. It has been undertaking the task of indoctrination of Muslims on a massive scale and has some unknown sources of funds including from some Middle-East countries.

- (g) **Al-Ummah:** The Al-Ummah, which was set up by S.A.Basha in Tamil Nadu in 1992, has been involved in a large number of violent actions, which includes murders and bomb explosions. Its most sensational involvement was in the serial bomb blasts in Coimbatore in February 1998. The Al-Ummah maintains close ideological and operational links with SIMI. It was banned on 14 February, 1998 by the Tamil Nadu Government under clause (b) of sub-section (2) of section 15 & 16 of the Criminal Law (Amendment) Act, 1908. Most of its top leadership was arrested and tried in the Coimbatore bomb blast cases. Its area of activities extends to Tamil Nadu, Kerala and Andhra Pradesh.
- (h) **Deendar Anjuman:** Deendar Anjuman, a Hyderabad-based Muslim organisation, with strong Pakistani linkages, was responsible for series of explosions in places of worship belonging to Christians, Muslims and Hindus during 2000. It had been pursuing a very dubious agenda of catalysing communal clashes and creating acrimonies between various communities. It had also come to notice for fomenting caste tensions between dalits and non-dalits in Maharashtra and coastal Andhra. The Central Government under section 3(1) of Unlawful Activities (Prevention) Act, 1967,

banned the organisation, on 28 April, 2001 leading to arrest of many of its important activists. Mohd. Jafar Sadiq Asrar is the Amir of the organisation and the total strength of the organisation is about 131.

(E) Left Wing Extremism

One of the other important internal security threats, which the NDA Government had to cope with, pertained to inexorable growth of Left Wing Extremism in the country's hinterland. At the time of assuming power left wing extremism had engulfed 115 districts in 10 states of which 33 districts were very highly affected. Consequented by poor governance and prolonged socio-economic neglect of large tracks of tribal and other impoverished areas, the left extremists were able to entrench themselves in Andhra Pradesh, Bihar (which included present Jharkhand), Madhya Pradesh (which included present Chhattisgarh), Orissa, Maharashtra etc. The movement which appeared to have been successfully subdued in early 1970s, resurfaced with vengeance during Nineties and quickly expanded to new areas. The movement increasingly got militarised with institutionalised system of indoctrination, recruitment, training etc. It also developed capabilities of communication, carrying out operations with speed and surprise.

There has been steady accretion since 1995 in Cadre strength of Left Wing Extremism, particularly Maoist Communist Centre (MCC) and Peoples War Group (PWG) the two front ranking Left Extremist groups. In 2005 they merged together, their combined strength seriously accentuating the problem. They have also been able to acquire substantial quantities of sophisticated automatic weapons and become adapt in their use. Taking the services of some ex-servicemen to train their cadres, they have developed expertise in handling of weapons in field craft, tactics, ambush etc. Most importantly, they are able to fabricate Improvised Explosive Devices (IED) and use them with telling effect against diverse targets like VIPs,

police stations, police convoys etc.

They have developed sources of raising regular stream of funds from road and civil contractors, levies on vehicles carrying forest and coal produce, transporters, query owners, rich farmers etc. Siphoning of developmental funds through intimidation or connivance of corrupt Government officials has also become a lucrative source of financing the movement. To undermine the authority of the lawful Government they hold their own courts, euphemised as '*Jan Adalats*' where summary justice was dispensed readily and ruthlessly. Heavy fines are also imposed particularly on rich land lords, which has also emerged as a channel of financial earnings.

The left wing extremists have also established a wide network of over ground supporters, floated numerous front organisations and regularly disseminate propaganda material to expand their support base. Public support is also mobilised through village congregations, meetings, cultural functions, demonstrations, protest marches etc.

The NDA Government saw the growth of Left Wing Extremism as a major internal security challenge and it took various policy initiatives. They, however, met with limited success. The strategy to provide assistance to the concerned States for tackling the menace both on amelioration of socio-economic conditions of the people and firmly ensure maintenance of law and order did not prove to be cost effective as evidenced by increase in LWE activities in successive years as also its growth to new areas. Most of the socio-economic developmental programmes remained on paper.

The NDA Government set up of a Coordination Centre in 1998 under the chairmanship of the Union Home Secretary with representatives from the Central and State Governments to coordinate anti-naxalite efforts in an integrated manner. Besides coordinating the security efforts of various affected states, it also focused on improving the quality of left and undertaking economic developmental programmes in the naxalite-infested areas. To bring about

operational synergy and better coordination, the Inter-State Coordinated Action Group was constituted in 2000 under the chairmanship of DGP/Andhra Pradesh for guiding anti-naxalite operations cutting across the state boundaries.

The Union Home Ministry identified 53 naxalite-affected districts in 9 states (Andhra Pradesh, Madhya Pradesh, Maharashtra, Orissa, Bihar, Jharkhand, Chhattisgarh, UP and West Bengal) and provided them with special assistance to counter the naxalite menace. The assistance includes reimbursement of up to 50% of all security-related expenditure in these districts by the Centre.

The Centre has also been providing Central Paramilitary Forces to the extent possible, to assist anti-naxalite operations of the state police forces. Similarly, the central intelligence agencies had been making special efforts to provide operational intelligence to the Central and state forces in affected states, which though led to some successful intelligence-driven operations did not bring about any positive change in the ground situation.

With the objective of weaning away the misguided youth, the Government also formulated a model surrender and rehabilitation policy in 1999. Most of the affected States have adopted this policy with suitable local amendments. Initially, the scheme did have a positive response but it soon reached a plateau.

To ensure firm handling of violent naxalite groups, MCC and CPML (PW) were enlisted as terrorist organization under POTA in December 2001. Subsequently, Akhil Bharat Nepali Ekta Samaj (ABNES), a front of Maoist Communist Party of Nepal, was also included in the schedule of terrorist organizations under POTA.

To maintain the pressure on the naxalite groups, series of operations were undertaken by the concerned States in collaboration with the Central agencies. During 1999 to 2003, 1017 extremists were killed and 2618 weapons seized from them. In addition, anti-naxalite operations led to arrest of 11,121 activists. Special intelligence led operations were also initiated against CPN (Maoist) cadres,

which led to the arrest of 64 activists during the year 2003.

(F) Fake Currency and Money Laundering etc.

When NDA Government came to power one of the major problems that it had to face was the problem of terrorist financing which included, Hawala transactions, currency counterfeiting, money laundering etc. Money had become a major catalyst in promotion of anti-national activities and in North-East large number of insurgent groups had mushroomed only to make easy money. Besides, money factor had started playing a vital role in criminalisation of politics and corruption in high places impacting on national security. The money power of the black money and the muscle power of the crime mafias have seriously influenced the working of genuine business operations. Emergence of various mafias like construction mafia, land mafia, timber mafia, coal mafia, power mafia, involving huge amounts of money and compounded by political patronage or administrative collusion had assumed serious proportions. Money laundering of proceeds from criminal activities, including drug trafficking, was being canalised for anti-national activities. Large amounts of fake Indian currency was being produced by Pakistan and smuggled into the country through various routes and utilised for financing of terrorists, saboteurs etc.

Among various steps taken by the NDA Government to control the menace, enactment of Prevention of Money Laundering Act was an important step as it considerably strengthened the hands of law enforcement agencies in tackling the problem. As part of a composite effort to strengthen economic security series of steps were initiated to control illegal movement and use of money. A Financial Intelligence Unit (FIU) under Ministry of Finance was constituted with representatives from premier intelligence and enforcement agencies. The Narcotics Control Bureau was shifted from Ministry of Finance to Ministry of Home to ensure its optional effectiveness in complementing internal security effort. The Central Economic Intelligence

Bureau, which was constituted to coordinate and strengthen intelligence-gathering activities, the investigating efforts and enforcement action was overhauled. Its charter was revised and it was allotted a wide ranging role to monitor implementation of decisions taken by the Economic Intelligence Council, collection and dissemination of intelligence in cooperation with IB and RAW, work as a think tank, building up of a comprehensive data bank in respect of *hawala* dealers, money launderers, use and movement of unaccounted money etc.

(G) Illegal Emigration

One of the major causes of long-term security concern to the country had been an exponential increase in illegal migration, particularly from Bangladesh. Consequented by faulty policies, prolonged neglect of the borders and electoral politics taking precedence over larger national interests, the problem both in its magnitude and geographical expanse had assumed formidable proportions. The demographic invasion had seriously impacted on internal situation in the North-East. Late Nineties estimated the post 1971 illegal migration from Bangladesh into various States of the North-East estimated to be over 14 million people. This had triggered a host of destabilizing political, social, economic, ethnic and communal conflicts. Politically, the Bangladeshi migrants were in a position to influence the results of the elections in a large number of constituencies in the North-East (about 36% of the constituencies in Assam). Economically, large-scale acquisition of lands by the Bangladeshis, increased pressure on land, depletion of forest wealth, undercutting of wages of unskilled workers, forcible occupation of Government lands by illegal immigrants and a host of other such issues, generated serious problems. Islamic extremist groups like Muslim United Liberation Front of Assam, Muslim Tigers Force etc. had sprung with inspiration and support of fundamentalist organisations which were engaged in organising the Muslim youth on militant lines. Some had

been sent to Bangladesh for the handling of arms where they were able to forge operational linkages with various Islamic extremist groups acting in Bangladesh like Harkat ul Jehadi Islami, Okeya Jote, and Islamic Chhatra Shibir etc.

(H) Caste, Communal and Sectarian Violence

The Encouragement to Muslim communal assertion and appeasement for political gains had steadily allowed the growth of Islamic fundamentalism in the country. A large number of outfits had mushroomed in different parts subscribing to intolerance and emphasising Islamic Millat as opposed to Indian nationalism. They threatened the pluralistic and secular fabric of the Indian nation. In some parts of the country like J&K and Assam there was large-scale movement of people outside the state for safety. The caste tensions had also exacerbated in the country mainly as a result of caste politics taking a centre stage position in Indian democracy. Widespread political mobilisation on the basis of caste had deeply divided the Indian society and done irreparable damage to its cohesion and unity.

Barring unfortunate developments in Gujarat, the overall communal situation in the country remained peaceful during the NDA rule. During 1999 to 2003 there were nearly 2300 communal incidents in the country as compared to more than 3000 during preceding four years. The Godhra incident and the communal clashes which followed, however, took the toll of nearly 950 lives in over 1150 incidents.

All out efforts were made to control and contain the communal situation following Godhra incident of unprovoked attack on some Hindu religious passengers and subsequent communal clashes. The steps taken included tightening of security and imposition of curfew in affected areas of the state, deployment of CPMFs, registration of thousands of criminal cases and arrest of large number of persons, appointment of a two-man commission to enquire into the disturbances etc. In addition, the state

Government established large number of relief camps and provided rehabilitation packages to the victims of communal violence.

Major Achievements

(A) Emergence of India on The World Scene as a Major Power Player

India's global clout at the end of NDA's five-year rule had increased manifold and it was able to outlive the image of a low performing, badly administered state to the league of world's fastest growing high potential states. The world leaders, think tanks, media and expert bodies all estimated India to be on the global fast track with a world role and pre-eminence in the region.

Even the bitterest critics of India's Nuclear tests in 1998 grudgingly admit that it was a watershed point in India's emergence on the global horizon as a major power player. There was an international appreciation of the fact that India a strong and stable democracy, a world-class human resource, economic potential, technological edge and military power could substantially contribute to international stability, peace and development. One of the most eloquent indicators of India's new image was the increase in self-esteem and confidence of the Indian diaspora that for the first time started publicly asserting their identity with a sense of pride.

Strategic analysts both in the US and the West were surprised by the remarkable all round progress achieved by India in high technology areas in the midst of post nuclear tests sanctions and resilience of its economy during debilitating Asian financial crisis. The political stability despite the pulls and pressures of coalition Government raised India's stock as a mature and stable democracy. The restraint exercised by India in Kargil also depicted India in a very positive light as a confident, powerful and responsible nation. By the close of NDA's rule even the sanction imposed in the wake of nuclear tests also had been diluted considerably.

This fast changing perception of India was quite evident when despite India's nuclear tests; American President Clinton came on a visit to India – a visit by an American President after a gap of more than two decades. India's role in maintaining regional security and stability was duly recognised in various joint communiqués, including Clinton-Vajpayee vision statement for the 21st century issued on 21 March, 2000. US and the west at the highest levels made it amply clear that they considered India as the dominant power in the region and aspired to have a long term, multi point strategic partnership with it.

The international perception in respect of Kashmir also underwent a discernible shift. Indian assertion that the violence in J&K was essentially a proxy war launched by Pakistan in collaboration with terrorist and Islamic fundamentalist groups and not a freedom movement was widely accepted.

(B) Politico-Military Handling of Kargil War

In furtherance of its nefarious designs on Kashmir, Pakistani army, in collaboration with some of its irregulars, carried out an armed intrusion in Kargil area of Jammu and Kashmir in May 1999. India launched operation Vijay to vacate the intruders from their occupied positions along the line of control from Batalik to Drass areas in Ladakh. The resolute army action backed by strong political will led to successful conclusion of the operation Vijay forcing the Pakistanis to withdraw from intruded areas and vacate all the Indian positions by July, 1999. The Indian army suffered loses of 413 men killed and 584 wounded.

After successful conclusion of operation Vijay and driving away the intruders from the areas occupied by them in Kargil, the NDA Government decided to constitute a high powered committee to review the events leading up to the Pakistani aggression in Kargil and recommend such measures to safeguard national security against such intrusions. The Committee was appointed on July 29, 1999 within a fortnight of Prime Minister Vajpayee declaring the

success of Indian Security Forces on 14 July. The Committee submitted its report on 15 December, 1999. The Committee made series of recommendations on revamping of National Security, upgrading intelligence apparatus, effective border management etc.

(C) Peace Engagements with Pakistan

The NDA Government was aware of the fact that if India had to achieve its potential status in the comity of Nations it was necessary for it to emerge as a stabilising factor in stability of South Asia. Pakistan's compulsive hostility against India and Kargil war notwithstanding, Atal Bihari Vajpayee took a historic bus trip to Lahore on 20 February, 1999 to improve bilateral relation with Pakistan and give peace a chance. Musharraf, however, derailed the process, with deposition of Nawaz Sharif in a military coup.

In July 2001, President Musharraf was invited to India for talks. The NDA Government insisted on unequivocal denunciation of terrorism and an assurance by Pakistan that it would not allow its soil to be used by the terrorist groups for carrying out terrorist actions in India. Musharraf's intransigent attitude, constant harping on Kashmir issue and insistence on characterising violence in J&K as an indigenous freedom movement led to failure of talks. The firm and principled position taken by India was, however, vindicated when Prime Minister Vajpayee again visited Lahore in January 2004 and a joint declaration was issued which categorically denounced terrorism and affirmed resolution of all matters through peaceful methods. Pakistan gave an unequivocal assurance to India that it would not allow its soil to be used for terrorist activities. As a sequel to these parleys institutionalised mechanism for resolving all outstanding disputes was worked out and positioned in place when the NDA Government demitted office.

(D) Conduct of Nuclear Tests and Handling of Post Test Situation

After concluding the test in May 1998, India announced a voluntary moratorium on further tests. During the NDA regime India had always BEEN supportive of nuclear non-proliferation and total elimination of Nuclear Weapons Systems. However, it had been opposed to discriminatory international regime which placed the Nuclear have-nots, who faced threat to their security from Nuclear states into a position of gross strategic disadvantage. Sandwiched between Nuclear China and Pakistan, which pursued a clandestine nuclear program. India considered it necessary to acquire minimum nuclear deterrence to safeguard its vital security interests. India for long had indigenous technological capability and infrastructure support to carry out such tests but could not muster the political will to execute it. In consonance with commitment to the people of India the Vajpayee-led Government within two months of its coming to power carried out three nuclear tests at Pokharan in Rajasthan on 11 May, 1998 and two more on 13 May, 1998.

India formulated its nuclear doctrine; the basic principles of India's nuclear doctrine included the following:

- (a) Building and maintaining a credible nuclear deterrent;
- (b) A Posture of 'No-First Use': nuclear weapons will only be used in retaliation against a nuclear attack on Indian territory or on Indian forces anywhere;
- (c) Nuclear retaliation to a first strike will be massive and designed to inflict unacceptable damage;
- (d) Nuclear retaliatory attacks can only be authorised by the civilian political leadership through the Nuclear Command Authority;
- (e) Non-use of nuclear weapons against non-nuclear weapon states;
- (f) However, in the event of a major attack against India, or Indian forces anywhere, by biological or chemical weapons, India will retain the option of retaliating with nuclear weapons;
- (g) A continuance of strict controls on export of nuclear and

missile related materials and technologies, participation in the Fissile Material Cut-off Treaty negotiations, and continued observance of the moratorium on nuclear tests;

- (h) Continued commitment to the goal of a nuclear weapon free world, through global, verifiable and non-discriminatory nuclear disarmament.

This doctrine forms part of a responsible and restrained approach to the security challenges of the future. It provides for transparency and predictability and should, therefore, serve the purpose of deterrence and stability.

During the NDA regime in all forums concerned with disarmament India continued to insist on verifiable, non-discriminatory and universal nuclear disarmament. Consistent with the principle of equal and legitimate security for all, India's position on disarmament was anchored on the assessment of its own national security interest. Through multilateral, bilateral and regional dialogue on strategic issues Vajpayee Government was able to bring about greater harmonisation between India's national security interest concerns and International concerns on non-proliferation. India's commitment to non-discriminatory and universal nuclear disarmament continued to be reflected in its policy pronouncements and diplomatic initiatives. The country's stand on issues related to disarmament and international security in various multilateral and regional forums was premised on India's national security interests and the nation's tradition of close engagement with the international community.

The series of bilateral dialogues commenced after May 1998 continued to be pursued. Dialogues were held with Russia, UK and China. In addition, the first dialogue with USA on non-proliferation and disarmament was held in September 2002. All these led to progressively greater appreciation of India's security concerns and its role as a responsible member of the international community. On the regional level, India's participation in the confidence

and security building process and structure under the ASEAN Regional Forum also acquired greater momentum. India actively participated in the first summit meeting of Conference on Interaction and Confidence Building Measures in Asia (CICA), which took place in Almaty in June 2002. Prime Minister's presence at the CICA Summit in Almaty lent India's support behind this initiative on Confidence Building Measures in Asia.

(E) Appointment of Group of Ministers for Integrated National Security Response

Working on the promise that security of the country was indivisible and could not be dealt in watertight bureaucratic compartments, the NDA Government tried to bring about structural, doctrinal and strategic changes in the nation's security apparatus. For the first time in independent India an extensive exercise was undertaken aimed at synergising and complimenting various policy initiatives and executive actions on the security front. A Group of Ministers (GoM) under Shri L.K. Advani, Home Minister, External Affairs Minister, Defence Minister and Finance Minister as its members was constituted. It submitted its report dealing with Internal Security, Border Management, Management of Defence and Intelligence Apparatus.

The high powered body taking a long term and strategic perspective made far reaching recommendations focussing on improvement aimed at coordination, technological up gradation, modernisation and systematic improvements, stressing improved management of the borders it introduced 'one border one force' concept to ensure better control and command specialisation leading to areas/problems specific response capabilities and accountability. For improved management of internal security recommendations were made laying stress on modernization of police, legislative changes, building up capabilities to counter national level threats like terrorism, espionage, sabotage etc. Special stress was

laid on providing improved weapons, communication equipment and mobility to police forces and bringing about qualitative improvements in training of police personnel. As all futuristic threats were assessed to have higher covert component complete reorganisation of country's premier intelligence agencies was envisaged.

The GoM submitted the recommendations in February 2001 and all the recommendations soon received the cabinet approval. High-powered implementation committees were constituted to ensure implementation of the recommendation under a time bound programme. The National Security Council Secretariat closely monitored implementation of these recommendations and it is a tribute to the NDA Government that before it demitted office in May 2004 over 72% of the recommendations had been implemented. It is a record of the sorts in the backdrop of National experience of committees and the fate of their recommendations.

(F) Efforts towards Synergising The National Security Effort and Bringing in Greater Coordination

One of the major achievements of the NDA Government has been its sustained effort to synergise the national security apparatus at all possible levels. At the apex level a National Security Council headed by the Prime Minister and with the Home, Defence, External Affairs and Finance Ministers as its members was formed. A post of the National Security Advisor was created and attached to the Prime Minister's Office for bringing about coordination in relation to all aspects of national security management. A National Security Council Secretariat, a multi-disciplinary platform was created to study all national security problems and prepare net national assessments, option papers, and policy recommendations etc. for consideration of the National Security Council. A Strategic Policy Group was constituted with the three chiefs of the defence forces, two intelligence chiefs and secretaries of Ministries of Home, Defence, External Affairs and Finance. This apex

group at professional level was envisaged to ensure total coordination in executive decisions making, implementation of action plans and monitoring various security problems beleaguering the country. Intelligence Coordination Group was constituted under the National Security Advisor as an apex intelligence coordination body for over-sight of the intelligence community, ensuring adequate allocation of resources to them, annual review of the quality of inputs and preparing annual tasking for intelligence generation.

In the defence forces creation of the post of Chief of Defence Staff was recommended though it could not become a reality till the NDA Government demitted office. The Chief of Defence Staff was expected to provide single-point, military advice to the Government, administer strategic force, enhance efficiency and effectiveness of the planning process through intra and inter-service consultations and bringing about required 'joint ness' in the armed forces'.

During the NDA Government a Defence Intelligence Agency (DIA) was also constituted for coordinating functioning of the Directorate of Military Intelligence, Directorate of Air Intelligence and Directorate of Naval Intelligence. The DIA was expect to promote greater integration in the intelligence gathered by different services intelligence directorate as also preparing integrated assessments in respect of defence related issues. The Chief of DIA was to be the principal intelligence advisor to the Defence Minister and Chief of Defence Staff.

The creation of Multi Agency Centre (MAC) under the Intelligence Bureau for combating terrorism and other forms of covert threats was another major step towards integration. The Multi Agency Centre, during the NDA regime, became a highly efficient set-up, which effectively dealt with terrorism and its allied manifestations, not only in J&K and North-East, but also in other parts of the country. A record number of covert modules operating from different parts of the country were unearthed and neutralized as a result of joint efforts. Similarly, Joint Task

For Intelligence was created under the IB with the object of bringing about seamless integration between the central and state agencies in areas, which threatened national security or had inter-state ramifications.

As technology is increasingly playing an important role in National Security Management, National Technical Facilities Organisation (NTFO) was created (later renamed as National Technical Research Organisation) with the objective of bringing about a quantum jump in technical capabilities of the intelligence agencies. This set-up was also expected to provide common facilities to various intelligence organisations where the costs involved in their procurement were prohibitive.

It is noteworthy that in post independence India it was first-ever effort made towards tackling national security in an integrated manner. Various initiatives taken by the NDA Government and different structures and systems positioned by them brought about a qualitative change in inter-disciplinary coordination and convergence. It facilitated a holistic national response to security problems. The earlier turf wars were minimised and there was better utilisation of resources – technical, financial, manpower in the service of the country.

(G) Improved Security of the Borders

The NDA Government soon after coming to power realised that India's borders, particularly the land borders, were highly porous facilitating illegal infiltration of terrorists, smuggling of weapons and explosives, and illegal immigration. It took series of concrete measures not only to strengthen border security but also dovetail the security efforts with overall management of the borders. One of the important tasks undertaken was to fence the border in J&K in the face of heavy opposition by Pakistan. Despite Pakistan's heavy artillery shelling along the international boundary and the line of control, most of the borders were successfully fenced. This was a stupendous task, as besides heavy firing from the Pakistani side, the climatic conditions,

fast flow of mountainous rivers made it a formidable task. In the eastern sector, where Bangladesh as a matter of its state policy consciously supporting illegal immigrants to India, fencing was completed in most of the areas.

(H) Police Reforms and Modernisation

The NDA Government soon after coming to power prepared a comprehensive modernisation programme, both for the States and Central police forces, which envisages enhancement in their strength, modernisation of equipment, up gradation of training and improvement in their working conditions. Modernisation plan costing more than Rs. 4,000 crores for the Central Police Organisations was approved. For the States, the Centre's annual modernisation grant was increased from Rs. 200 crores to Rs. 1,000 crores per year.

To meet frequent demands of the States for Central forces and better management of the borders, the Government approved raising of 209 Battalions of the Central Para Military forces. In addition, the Centre strengthened the State armed police and 50 additional India Reserve Battalions were sanctioned, majority of them for terrorist, insurgency and Left Wing extremism affected states.

(I) Beefing up of Airport Security and Immigration Control

To deal with aviation related threats, including hijacking as also ensuring better access control, the Government took series of steps to strengthen Airport security and streamline its Immigration Control Systems. Various steps taken included handing over of security of 45 airports to the Central Industrial Security Force (CISF), deployment of Sky Marshals, formulating contingency plans to tackle hijack situation and installation of technical security gadgets at all sensitive airports. The Bureau of Immigration was totally over-hauled and immigration control work at 22 international check posts was entrusted to it. Foreigners (Report to Police Order - 2001) order

was issued in August 2001 to check illegal infiltration, particularly of Bangladeshis, and overstay of foreigners. List of Pak nationals over-staying in India were prepared and steps taken for their detection and deportation.

Technological upgradation of the border forces was another major step which included providing them access control devices, thermal sensors, night vision devices, communication equipments etc. Installation of these gadgets along the border in conjunction with the fencing and reinforcement of forces on the border had a salutary effect on bringing down the level of infiltration.

Protection of our maritime boundaries also received special attention of the NDA Government. The coastguard was strengthened and provided new vessels and equipment for effective patrolling and quick operational response, greater coordination between the coastguard and Indian Navy on one hand and Coast guard and state Governments was also brought about. The water wing of Border Security Force was strengthened, particularly in Gujarat and West Bengal. In Gujarat, they were given special responsibility in Sir Creek area.

(J) Successful Counter-Insurgency Operations in Bhutan

Taking advantage of geographical proximity, difficult mountainous terrain, and relatively weak ground control of Bhutanese police and army, the Indian insurgent groups of North-East had created safe hideouts and camps for themselves in the Himalayan kingdom. The territory was being used for training of cadres, communication control centres and safe retreats after carrying out terrorist depredations on the Indian side. For many years Government of India had been trying to persuade the Bhutanese Government to flush out these insurgents from their soil as it seriously impacted on India's security interests. The Government of Bhutan, apprehensive of retaliation by the insurgent groups both in the Bhutanese territory and its interests in Assam and other adjoining areas, could not muster

sufficient courage to take any deterrent action against them. The Indian insurgent groups did not take their persuasive efforts and occasional warnings seriously. The NDA Government was able to prevail upon the Royal Bhutanese Government, provide them definite intelligence and assure them of total support in case of retaliation made Bhutanese Government to relent and agree to undertake military action to flush them out.

In a three weeklong operation launch on 15 December 2003, Bhutanese Army was able to attack 30 camps in thickly forested areas of South-East Bhutan, which bordered India. The operations were undertaken after close consultations with Indian Intelligence and Security Agencies. The camps of the United Liberation Front of Assam (ULFA), National Democratic Front of Bodoland (NDFB) and Kamatapur Liberation Organisation (KLO) were attacked and destroyed. The casualties suffered by the Indian insurgents were quite substantial and included killing of 134 insurgents and arrest of 340 by Bhutanese Army. In addition, the supportive action taken by the Indian Army on the Indian side of the border led to neutralisation of another 249 insurgents that included 117 of ULFA and 104 of NDFB when they were trying to flee to India from their encampments.

These operations had a telling effect on the organisation, structure and moral of these North East insurgent groups. They were forced into a state of disarray following heavy casualties, disruption of their command hierarchy communication system, destruction of training camps etc. This also established a model of bilateral cooperation between two countries in fighting the menace of terrorism and substantially upped the level of security cooperation between the two countries.

(K) Technology Upgradation for National Security

One of the major contributions of the NDA Government has been the special emphasis laid by it on technological upgradation of our entire security apparatus.

Convinced that it was imperative for India, aspiring for a major power role and unwilling to surrender its decisional autonomy by joining a military alliance, to be self-reliant to the possible extent. It vigorously pursued Research and Development Programmes focusing both on immediate and long-term needs of the defence forces and other security outfits. In its manifesto it had lamented that “Inadequate pace of defence research and development despite abundant talent available in DRDO”. It added that our scientists and technologies are second to none and it is lack of political will and clarity on strategic issues that is the main cause of the delay.” India enjoyed advantages like having a large pool of world-class scientists and engineers, high technological based and a decisive edge in certain core sectors like space, electronics, oceanography, metallurgy, communications, etc. Senior leaders of the BJP like Shri L.K. Advani also felt that many Indian scientists abroad that had achieved excellence in some critical areas could be persuaded and mobilised to augment India’s technological capability.

There has been a discernible decline in last decade and a half in overall performance of our research establishments and defence production units. Many factors like bureaucratic delays and neglect, lack of coordination between end users and research production units, resistance of strong lobbies supportive of induction of imported weapons and equipment, lack of clarity on long and intermediate term strategic defence requirements etc. contributed to their low performance. Some of the programmes like Light Combat Aircraft had been unduly delayed for a decade and a half. Under the NDA Government the first Technology Demonstrator Light Combat Aircraft (LCA) was flight-tested for the first time on 04 January, 2001 at Bangalore. Analysis of test flight results indicated a total match between flight tests and design objectives. The Prime Minister christened the LCA as Tejas on 4 May, 2003, and the same day formation flights of Tejas were demonstrated. It successfully crossed the

sound barrier on August 2003 and carried out supersonic flights up to 1.15 mach.

The strides made in missile development program were also noteworthy. Nine developmental trials of surface-to-air missile (SAM)-Akash were undertaken between January 2003 and March 2004. Consistently high performance of propulsion, control and guidance system was demonstrated against simulated targets. The distance achieved in all these flights was within specifications. Production facilities were developed at Bharat Dynamics Limited (BDL), Hyderabad and the missiles are being integrated and checked out at BDL. For Akash, the Rajendra Radar was integrated with Battery Control Centre (BCC-II), Battery Surveillance Radar (BSR) and Akash Self Propelled Launcher (ASPL-II). Further, 3D Central Acquisition Radar (3D-CAR) was demonstrated to the Air Force and the Navy. All radars showed consistently high performance.

Nag, the third generation anti-tank guided missile, with 'Fire & Forget' and 'Top Attack during Day and Night' capabilities was achieved through three consecutive flight tests with Imaging Infra Red (IIR) Seeker in which direct hits were scored on targets. The reconfigured Nag Missile Carrier 'Namica MK-II' was successfully field tested in desert terrain during 2003.

Trishul, a quick reaction and guided surface-to-air missile system stands fully developed for all the three Services. It has also been successfully test fired against remotely piloted flying targets. Four flight tests were carried out in June 2003, and February and March 2004 demonstrating high accuracy, reliability of performance and proper functioning of the warhead in an integrated mode.

Dhanush, the naval version of the Prithvi missile system, with a range of 250 kms was designed and developed and all details worked out for its early induction and weaponisation on ships is under progress. Longer-range version of Prithvi (P-II), tactical battlefield surface-to-surface missile system was successfully flight tested

during March 2004 with Inertial Navigational System-Global Positioning System (INS-GPS) in integrated mode to enhance its accuracy.

Defence Advanced Research Establishment (DARE), Bangalore developed Electronic Warfare Systems comprising of Radar Warning Receivers (RWR) and Self Protection Jammer (SPJ) for different fighter aircraft of IAF like Jaguar, MiG-23, MiG-27 and Mig-21. They also designed and developed Automatic Test Equipment (ATE) and Ground Support Equipment (GSE) to test and maintain the developed EW Systems. Development and field trials of Communication segment of Samyukta (an Electronic Warfare Programme for Army) was completed by 2003 and production orders for Samyukta were placed.

Production of Pilot Less Target Aircraft (PTA) named, as 'Lakshya' was another major achievement during the NDA regime. It is a reusable aerial target system remotely operated from ground to provide aerial target to gun and missile crew and air defence pilots for all the three services. Delivery of the five Lakshya to Air Force, three to Navy and two to Army were completed by 2003 end. Earlier, Lakshya successfully carried out 26 operational flights for Air Force during 2001-02. Similarly, under project Phalkan a Remotely Piloted Vehicle (RPV), NISHANT was envisaged to carry out battlefield surveillance, reconnaissance, and real time engagement of targets by artillery fire and for damage assessment. It is designed to carry electro-optical payloads on board for surveillance, target acquisition and target tracking. More than 84 developmental flights of NISHANT were carried out during 2002-03 and, thereafter, it was decided to induct in the arsenal of Indian Army as it fully met their qualitative requirements.

During the NDA regime production of Combat Improve Tank 'Ajeya' was commenced at Avadi after incorporating various modernisation features. Concurrently, DRDO undertook the project for developing futuristic Infantry Combat Vehicle (ICV) for replacement of BMP-II. Various systems of this vehicle were in advanced

stage of development by 2003 end.

These are a few illustrations in the long list of progress made in R&D programmes, technology development and innovations to beef up nation's defence preparedness. The NDA Government also gave a new impetus to basic research initiatives in areas of strategic importance namely, Aeronautics Research, Armament Research, Naval Research, and Life Sciences Research.

The need for technological upgradation of Intelligence agencies also received a new impetus under NDA Government. As per the recommendations of the Group of Ministers headed by Shri Advani, Home Minister, a National Technical Facility Organisation, later renamed as National Technical Research Organisation (NTRO), was constituted. It is an independent organisation headed by an officer of the rank of secretary of the Government of India, which will undertake intelligence related technological research and provide them technical support in area of high specialisation. A Core Intelligence Group (CIG) headed by the National Security Advisor with Director IB and Secretary(R), Secretary (NSCS) etc. as its members was constituted to identify and prioritise technical requirement of the Intelligence Agencies make required resources available. The establishment of NTRO has met a long felt requirement of intelligence agencies and in the long run is expected to prove highly cost effective by providing common services and facilities wherever feasible.

It, however, needs to be underlined that most of the research and developmental projects have a long gestation period and their contribution and import does not percolate down to the common people. However, they constitute most important building block in enhancement of nation's defence preparedness and power projection capabilities. The momentum which has been generated by the NDA Government if sustained in the times ahead it will be able to catapult India to

the league of technologically most advanced nations
in the field of defence and security technology.

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Pokharan-II and Security Ramifications

External and Internal

—K.C. Pant

History is not kind to nations which make wrong choices. As India today reaches out to grasp the promise of enticing possibilities, it would do well to profit from the lessons of its journey through the ages with its triumphs and failures, victories and defeats, and ensure that the mistakes of the past are not repeated. The central lesson is that national interests cannot be protected without adequate national power.

The enhancement of national power is the strategic objective of nation States. The components and projection of that power vary with national capabilities and situations, but at its core, in all cases, lie economic and military strength and the spirit of the people. For a buoyant India, conscious of its potential, the edifice of national power appeared incomplete without an essential building block. The significance of Pokharan-II is that it filled that critical gap.

Pokharan-II was a defining event. The nuclear tests conducted by India at Pokharan in May 1998 were a resounding affirmation of the nation's sense of self-esteem and self-worth. In the words of the then Prime Minister Shri Atal Bihari Vajpayee: "Millions of Indians have viewed this occasion as the beginning of the rise of a strong and self-confident India. I fully share this assessment and this dream."

The Prime Minister was giving voice to the widespread popular support evoked by Pokharan-II. Even people, who did not closely follow the intricacies of the nuclear debate, knew that the decision to go nuclear could not have been an easy one for the Government.

For decades, India had been under pressure to sign the NPT

and accept full-scope safeguards. All along, India's position was that it favoured a nuclear-weapon-free world and a non-discriminatory international nuclear order. With the passage of years, it became clear that nuclear-weapon states were not prepared to accept an approach which did not discriminate in their favour.

The pressure on India became intense in 1974, when a PNE was carried out at Pokharan. The pressure was not unexpected but Mrs. Indira Gandhi decided to go ahead with Pokharan-I in spite of it. However, the intensity of the pressure can be gauged from the fact that there could be no follow-up to the single PNE.

Being aware of this background, it took political courage as well as firmness of purpose to go ahead with Pokharan-II knowing full well that it would trigger off a Pavlovian storm of protest.

As Shri Vajpayee put it

"The decision to carry out these tests was guided by the paramount importance we attach to national security. Important measures that are guided by national security considerations don't follow immediate compulsions. Rather, they are guided by long-term imperatives based on a sound appraisal of regional and global security realities."

The reality is that the last 50 years have seen the emergence of overt as well as covert nuclear-weapon states and that India lives in a dangerous neighbourhood.

With the passage of time, as India adds to its economic and military muscle, observers may well wonder - not why India went nuclear, but why it waited as long as it did, considering the awesome responsibility of safeguarding the freedom and security of a billion people.

While the ultimate decision to go nuclear was political, behind it lay the outstanding and dedicated contribution of Scientists and Engineers who developed India's nuclear and missile capability in spite of denial of access to critical technologies and supplies. What is more, they did so without violating any international obligations.

It was no mean feat that there was no chink in the blanket of secrecy covering the preparations for Pokharan-I in 1974 and the PNE caught the world unawares. But to have maintained the cover of secrecy for Pokharan-II as well, in spite of the special interest of

intelligence agencies and sophisticated satellite surveillance, was nothing short of remarkable.

Shri Vajpayee paid a tribute to those who built up the nuclear programme in the following words: “Our nuclear scientists and engineers have done a splendid job and naturally, the entire nation has risen to salute their professional excellence, discipline and patriotism. They have had the benefit of having been led in the past by great men like Homi Bhabha and Vikram Sarabhai. Also, we should not forget that a visionary like Pandit Jawaharlal Nehru understood the importance of nuclear science and gave full personal support to the founding of a world-class nuclear establishment. All the Prime Ministers who followed him have continued to support India’s indigenous research and development in the nuclear field. What we are doing today is to build the superstructure on that solid foundation.”

Today, the country is one of the few that are entirely self-reliant. It has excellent research and development centers, a nuclear design set-up, engineering test labs, and a large construction and operating manpower. It has also mastered the complete fuel cycle from uranium mining and fuel fabrication to spent fuel reprocessing and radioactive waste disposal.

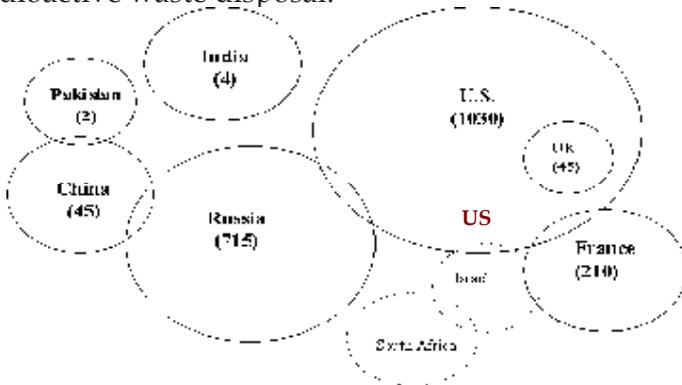


Figure: Historical sharing of Nuclear Weapons knowledge indicating the self-reliance of the Indian Nuclear Weapons Development Program (from Paine & McKinzie, Reference 4)

The significance of this achievement is brought out by Dr. Chidambaram in an article on Pokharan-II in the following words and diagram – “It is universally recognised that India’s nuclear weapons development programme is based on self-

reliance. An example is the Venn Diagram (See figure) showing the historical sharing of nuclear weapons knowledge among countries in the article by Paine & McKinzie on US Science-based Stockpile Stewardship Program, which shows the self-reliant unique nature of the Indian weapons programme. Sharing of knowledge is expressed by intersection of circles. The number in the brackets after each country is the number of tests carried out by it.”

India’s nuclear programme, apart from being self-reliant, was unique in another important respect. It was broad-based and focused on the peaceful harnessing of nuclear energy for power generation, scientific research, health, agriculture, food preservation etc. It is a matter of record that when Rajiv Gandhi was Prime Minister, he had gone to the UN and proposed a time-bound, phased commitment to nuclear disarmament. Had that been accepted it would not have hampered India’s peaceful use of nuclear energy in any way. That is because the essential thrust of India’s nuclear programme, unlike that of the other nuclear weapon states, was not weapon-centred.

The story of each country’s journey to and across the nuclear threshold has been the subject of lively public interest, internationally, but none has attracted as much adverse notice as that of Pakistan.

It is a matter of record that the design of centrifuges for enrichment of uranium used for Pakistan’s nuclear weapons programme was stolen by Dr. A.Q. Khan from a European facility. The firms involved were from countries which are signatories to the nuclear Non-Proliferation Treaty.

Now Pakistan has admitted that Dr. Khan sold these centrifuges to other countries. Going by the information made available to the US by Libya when it abandoned its nuclear weapon programme, Khan emerges as a sinister figure at the centre of a network of proliferation. The facts have been widely reported. Uncomfortable questions about the complicity of the Pakistan Government in Dr. Khan’s clandestine activities or about the double standards which threaten the credibility of the international campaign against nuclear proliferation cannot be swept under the carpet. Indeed, there is a baffling disconnect between the hesitant, if not permissive, attitude of the international community towards these revelations and its avowed concern about the dangers of proliferation.

As Foreign Minister Natwar Singh said on 28 March, 2005 – “Approaches which have failed to restrain, let alone punish those guilty of proliferation, need to be replaced by a new framework which ... is effective in curbing proliferation and, at the same time, does not inhibit legitimate cooperation in peaceful uses of nuclear energy by States whose non-proliferation records are beyond doubt”.

India has always been against proliferation as a matter of conviction, not compulsion. It has a blemishless record of honouring its international commitments. It is a responsible nuclear weapon power which has all along followed a consistent policy. As the international community grapples with new dangers, like nuclear bombs in the hands of terrorists. India is prepared to play a constructive role in facing upto these challenges as an equal partner of other responsible nuclear weapon powers.

Having proclaimed itself a NWS India has to ensure that its nuclear doctrine is not just a declaration of intent but a promise of credible deterrence. Possession of nuclear weapons and delivery systems is necessary but their credibility is defined by their numbers, reach, deployment and readiness.

The no-first-use doctrine is meaningful in terms of credibility only when it is backed by the capability of inflicting unacceptable damage through an inescapable retaliatory strike. This in turn raises a number of questions like deterrence against whom and speed of retaliation.

We need to continuously review the various determinants of our nuclear capability to ensure the element of credibility. Apart from putting in place the kind of system that would automatically trigger off an immediate retaliatory strike in case of nuclear attack, India would have to keep track of international developments relating to strategic weapons.

The Strategic Weapon Scenario

Under the Non-Proliferation Treaty, the nuclear weapon states accepted an obligation to reduce their stockpiles to ‘nuclear zero’. The Treaty also provided for a review of the progress made after twenty-five years. When the review meeting took place in New York in April 2000, the US declared that it would require nuclear weapons indefinitely. Though the 187 NPT signatories reminded

the five nuclear weapon states of their Treaty obligation in no uncertain terms they could elicit no commitment in response.

Another treaty, the Comprehensive Test Ban Treaty (CTBT) created a lot of heat and controversy before its passage through the UN General Assembly. This treaty allows for novel, technology advanced, means of designing and testing new, more versatile and lethal, nuclear weapons. This option, while theoretically available to any signatory State, is all but inaccessible except to the US and its closest European allies, because of the costs and complexity of the high-tech alternatives to underground testing.

The face-off between USA and USSR during the armament spree of the Cold War years was followed by steady, if halting, progress on an agreed road-map for strategic arms control. Though there has been some dramatic reduction in the bloated Cold War nuclear arsenals, this change is far less dramatic than arms control agreements would lead us to believe. For example, though the US and Russia have agreed to bring their nuclear arsenals down to a couple of thousand nuclear warheads, both sides will maintain large numbers of weapons in various states of dismantlement, ready to be 'reconstituted' at very short notice should the situation so demand. For example, the latest nuclear arms control agreement between the US and Russia, which will bring the warheads on both sides to about 2,200, counts only 'operationally deployed' weapons in this 2,200.

The other critical strategic arms control measure was the 1972 Anti-Ballistic Missile (ABM) Treaty. This was scrapped by the USA after the break-up of the Soviet Union and the USA is now engaged in attempting to erect a National Missile Defence System based on anti-ballistic-missile missiles. It remains to be seen what effect this will have on the arms control edifice and whether it will not arouse an apprehension in the countries of the European Union that a workable ABM system will make the US self-sufficient, security-wise, and hence detach Europe from American military protection.

All these trends and developments along with the impact of the ongoing 'revolution in military affairs' will have to be factored into the formulation of security planning in India. The goal has to be maximisation of strategic autonomy. There is no room for complacency or faint-heartedness in the pursuit of

sensitive programmes like development of thermonuclear and ICBM capabilities. The Government of the day will be faced with hard decisions in the light of global developments in the defence sector. New technologies and weapon systems, the paralysing effect of precision attacks on the command and control structure of modern armies and the strengths and vulnerabilities of electronic warfare call for continuous evaluation of options. Hard choices will have to be made, keeping in mind the availability of resources and the need for a cost-effective integrated approach synergising and optimising the requirements of the Defence Services. As the Government keeps all these aspects under constant review, it would do well to draw an important lesson from Pokharan-II, *viz.* that the genuine demands of national defence cannot be made hostage to international approval.

It is also necessary that the acquisition of necessary weapon systems or equipment should not be made a plaything of competitive politics. If there is corruption, it should be punished. But if an impression is created that a change in Government means bringing Defence purchases made by the previous Government within the range of suspicion, it puts sand into a decision-making process, which is slow-moving at the best of times. The need of the hour is to develop Defence R&D, particularly in sensitive, sanction-prone areas, and to leverage our sizeable expenditure on import of armaments to give a fillip to Indian industry through co-production, joint ventures, etc. Both the Government and the opposition would readily agree with this, but to give effect to it they have to put their heads together and agree on a process of acquisition of Defence equipment, which brings transparency into decision-making and order, efficiency and predictability into Defence supplies.

India in the Emerging World order

Ever since Independence, one of the key objectives of India's foreign policy has been the preservation of its freedom of judgement and action in international affairs. This has enabled it to adjust itself to the new world order that emerged from the end of the cold war. Despite the expected hiccups following Pokharan-II, the acquisition of nuclear weapons at this juncture helped India to fashion its responses to the changing international situation with greater confidence.

The changing geo-political situation and the growing importance of geo-economics have enlarged the range of options in international relations. Only countries which act proactively and re-position themselves will be able to take advantage of the emerging global landscape.

The centre of gravity of the global economy is shifting gradually but inexorably from the Atlantic to the Pacific and Indian Oceans. The break-up of the Soviet Union has deprived the Atlantic Alliance of its common enemy. Russia is in the process of re-construction. China's rapid economic growth has made other powers sit up and take notice. It is estimated that India, which is now the fourth largest economy in terms of purchasing power, will overtake Japan and become the third major economic power by 2015. In this scenario, India would have to fashion its bilateral relations with any country, in the light of its strategic view of India's global and regional role.

India has had very close and friendly relations with Russia. The Non-Aligned Movement helped India to articulate the aspirations of the developing world in the UN and other international fora. India's relations with the UK and other commonwealth countries, with the EU, with Germany and France, and with the countries of Eastern Europe, are based on mutual understanding.

While the reality of a nuclear armed, non-proliferating India is accepted by all countries, some had reacted on expected negative lines at the time of Pokharan-II in 1998. In this context, it would be interesting to briefly examine the evolution of India's bilateral relations with a few countries which inevitably figure in any discussion on India's security.

USA

Indo-US relations, over the years, have passed through many phases. Underlying them have been affinities based on shared democratic ideals. But India did not share the logic of the Cold War which divided the world into friends or foes. The end of the Cold War opened the door to India and US exploring the possibility of building closer relations on the strong foundation of shared values. This exercise suffered a serious setback when the USA led the campaign to impose sanctions on India because of Pokharan-II in May 1998.

It is a measure of the step-by-step improvement in bilateral

relations in the last six to seven years that US is today offering co-operation to India in areas like nuclear power generation, space, co-production of fighter planes, etc. Many factors have contributed to this development – the extended dialogue between Shri Jaswant Singh and Mr. Strobe Talbot; the statesman-like restraint exercised by the Prime Minister and the NDA Government in handling Kargil and the eyeball to eyeball confrontation between the armies of India and Pakistan during Operation Parakram (19 December, 2001 to 6 October, 2002) after the terrorist attack on the Indian Parliament on 13 December, 2001; and a better understanding of each other's security perceptions as a result of frank discussions among experts and diplomats, and above all, at the level of the political leadership.

It is difficult to say how long this process would have taken had the situation not been transformed by the terrorist attack on the Twin Towers on 9/11. Indian warnings against a permissive attitude towards terrorism, of which it had been a victim for two decades, hitherto largely ignored, were now accepted with a sense of urgency. India became a part of the global fight against terrorism. US action in Afghanistan leading to the fall of the Taliban Government and its sustained campaign against the Al Qaeda, put a check on the growing menace of terrorism. Pakistan also came under US pressure to take action against Jehadi groups. As far as India is concerned, while infiltration across the border has come down, the infrastructure of terrorism has not been destroyed. While US and India are together in the fight against terrorism, US priorities do not always reflect Indian concerns. It is in the interest of the US, Pakistan and India to ensure that terrorists are left in no doubt that no Government will allow them to carry on their nefarious activities. It is also in our common interest to see that every possible step is taken to eliminate the risk of nuclear weapon capability falling into terrorist hands.

The steady improvement in India's bilateral ties with the USA can be attributed as much to growing convergence of strategic perceptions, interests and concerns as to a mutual desire to enlarge the common ground on which stronger and deeper relations can be built. The culture of democracy in both countries has made this easier. Economic co-operation has grown but the untapped potential in trade and investment is huge. India's profile in the US

has gained in stature as a result of the success of NRIs and their contribution to diverse spheres of national life. India's strides in the IT Sector have received widespread publicity in the US as a result of the debate on outsourcing. Respect for the quality of skilled manpower emerging from the portals of apex Indian professional institutions has further reinforced the credibility of Indian claims to self-reliance in areas like nuclear energy and space.

The fact that the USA has now adopted a positive approach to co-operation with India in these sectors and in technology, as well as co-production of sophisticated defence items, marks perceptible progress in the sphere of security and defence.

The buoyancy in Indo-American relations was reflected in what Mr. David C Mulford, US Ambassador to India, had to say after the visit of Secretary of State Condoleeza Rice to Delhi in March 2005:

"The US and India are poised for a partnership that will be crucial in shaping the international order in the 21st century.The US and India must not only broaden their strategic partnership, but move into new and substantively more complex areas.

"The Next Steps in the Strategic Partnership (NSSP) initiative launched by President Bush and Prime Minister Vajpayee in January 2004 helped build trust and cooperation in areas of the greatest sensitivity to our two nations - civilian nuclear technology, civil space technology, high-technology trade and a dialogue on missile defence. Important progress has been made in each of these areas, and more is coming with the expected completion of Phase II in the near future."

Writing in the Wall Street Journal on 'A New Deal for New Delhi', Mr. Robert D. Blackwill, US Ambassador to India from 2001-03, and Deputy National Security Adviser for Strategic Planning in 2003-04, asked a question : "What next for the US-India relationship?" and suggested steps that both countries should take to improve this relationship, for example :

"The US should integrate India into the evolving global nonproliferation regime as a friendly nuclear weapons state. We should end constraints on assistance to and cooperation with India's civil nuclear industry and high-tech trade, changing laws and policy when necessary. We should sell India civil nuclear reactors, both to reduce its demand for Persian Gulf energy and to ease the

environmental impact of India's vibrant economic growth".

"We should enter into a vigorous long-term program of space cooperation with India. Why should the US want to check India's missile capability in ways that could lead to China's permanent nuclear dominance over democratic India?"

"Given the strategic challenges ahead, the US should want the Indian armed forces to be equipped with the best weapons systems and that often means American. To make this happen, the US has to become a reliable long-term supplier, including through co-production and licensed manufacture arrangements, and to end its previous inclination to interrupt defense supplies to India in a crisis".

"We should announce that in the context of the basic reforms of the UN, the US will support India as a permanent member of the Security Council."

The acceptance and implementation of these suggestions can raise Indo-US relations, already on a sound footing, to new heights.

China

Down the ages, India looked upon the Himalayas to the North and the Ocean to the South as its first and natural line of defence. Many invaders crossed the natural barrier in the North-West, but none came from the East. India was never an expansionist power and its interactions with countries beyond its eastern borders have been in the field of trade and culture. It does not figure in the painful historical memories which form part of the collective unconscious of the people living in East and South-East Asia.

India and China are both ancient civilisations which have lived as friendly neighbours over the centuries. This unbroken tradition of peace was unfortunately shattered in 1962, when Chinese troops crossed the Himalayas and entered Indian territory. For the Indian people, who harboured nothing but friendly feelings for the people of China, this military incursion came as a rude shock, heightened by a sense of outrage. In retrospect, it may well have strengthened the hands of hard-nosed realists in the Indian establishment.

The relations between India and China remained frosty over the seventies. An attempt to break the ice was made by Foreign Minister Atal Bihari Vajpayee when he met China's Vice-Premier,

Deng Xiaoping in Beijing in 1979. Prime Minister Rajiv Gandhi visited China in 1988. At the popular level that visit became famous for the length of Rajiv's handshake with Deng. At the substantive level, the two countries agreed to form a JWG on the boundary question years later, there was an agreement to maintain peace and tranquility along the Line of Actual Control.

Prime Minister Vajpayee visited China in 2003. Wen Jiabao was the Prime Minister of China. An important outcome of this visit was to recognise that the discussion among experts, legal and diplomatic, needed political guidance. Politically, empowered special representatives were appointed to explore the framework of a boundary settlement.

This process has been carried forward during the visit of the Chinese PM Wen Jiabao to India in April 2005. The two countries signed a document outlining the 'political parameters and guiding principles' for a settlement of the boundary issue which the earlier and present special representatives had worked out over several meetings. In a joint statement, the two Prime Ministers agreed to establish a 'strategic and co-operative partnership' for peace and prosperity. Among the CBMs adopted were some which strengthened the measures in force to maintain peace and tranquility along the border.

The atmospherics surrounding the visit of the Chinese PM reflected a change in style, signalling a new generation of leaders in China. China's focus at present is clearly on enhancing its economic strength and military muscle. It needs peace for this purpose. The joint statement proposes strategic and co-operative partnership for peace and prosperity. The contours and substance of such a partnership will ultimately be determined by deeds, not words.

The agreement for a five-year plan for co-operation in economy and trade seeks to give a further impetus to the growth that is already taking place. The volume of two-way trade, which stood at \$ 2.9 billion in 2000 has grown to \$ 13.6 billion in 2004, a spectacular jump from a figure of \$ 7.6 billion in 2003. Apart from the backing of the two Governments, the tempo of rapid economic co-operation is being built up by the activities of private entrepreneurs attuned to global opportunities.

For both India and China the security of energy supply is of

critical importance. Both countries import oil and gas and are on the lookout for reliable sources of supply to meet the galloping demand in their rapidly growing economies. Co-operation in this sector has rightly been recognised as an important area of agreement between the two countries.

Pakistan

Many factors have combined to enable Indo-Pak relations to emerge from a particularly dark tunnel in their crisis-ridden journey bedeviled by deep mistrust. Since around 1989, Pakistan sponsored cross-border terrorism in Jammu & Kashmir, preceded by a spell of cross-border terrorism in Punjab. The people of these states suffered grievously but did not allow the merchants of terror to prevail. They rejected the bullet for the ballot, first in Punjab and then in Jammu & Kashmir.

Pokharan-II followed by the Pakistani nuclear tests created a qualitatively different security situation. But it did not put an end to the low-intensity conflict stoked by cross-border infiltration. Against this backdrop, the famous bus journey to Lahore undertaken in February, 1999 by Prime Minister Vajpayee was a bold and unorthodox initiative. It broke the ice, but when it was followed by the surreptitious violation of the LOC by Pakistan at Kargil in May, 1999 it generated a wave of anger and a sense of betrayal in India.

History will record the valour of the Indian troops, who expelled the Pakistani intruders from entrenched positions on the mountain tops in Kargil. The Government of India exercised great restraint in dealing with a calculated, deliberate act of provocation, thereby thwarting its intended devious outcome.

Another outrageous act of provocation was the terrorist act on Parliament in December 2001. The people of India were roused to indignant anger and there was a strong groundswell of opinion that some form of decisive action was called for. The Indian army was deployed on the long Western border and the two armies faced each other over a period of months. Once again, the Government of India handled a potentially explosive situation with great restraint.

The threads of the dialogue process were picked up when Prime Minister Vajpayee invited President Musharraf to Agra

in July, 2001, but the discussions came to nothing. Another bold initiative was taken by PM Vajpayee when, speaking at Srinagar in April 2003, he offered a hand of friendship to Pakistan. It led to both countries agreeing to discuss all issues, including Jammu & Kashmir. Many suggestions were mooted including the bus service between Srinagar and Muzaffarabad. The Indo-Pak peace process began to gain momentum, with a cease-fire on the Indo-Pak border and LOC being agreed upon in 2003. But a breakthrough of sorts came only in January 2004 when a key Indian concern was addressed in a joint statement which contained a commitment on the part of Pakistan not to allow territory under its control to be used by would-be cross-border terrorists.

Infiltration has progressively come down and the situation in J&K has undergone a sea-change. Terrorists have failed in their attempts to prevent the people from participating in elections, first at the level of Parliament and the State Legislature and later to Panchayats and local bodies. Despite occasional violent incidents, life is fast returning to normal, tourism is thriving and the bus service between Srinagar and Muzaffarabad has started.

Security experts have wondered to what extent Pakistan Government's willingness to withdraw support from terrorists was influenced by the pressure of the anti-terrorist international campaign led by the USA. Pakistan joined the campaign against the Taliban Government in Afghanistan and against the Al-Qaeda in Baluchistan. In the process, it rescued its tottering economy. Perhaps the point had been reached when the costs of continuing with cross-border terrorism exceeded the benefits.

Pakistan has Islamic groups which have traditionally been anti-Indian. They are also pro-jehadi, and they have been strongly opposed to Pakistan helping the USA against the Taliban or Al-Qaeda. So much so that some of the leaders of these groups appear to feel that, in the changed situation, it would be preferable for Pakistan to improve its relations with India. These leaders can have a positive influence by muting the voices opposing the efforts to improve relations with India.

Another positive factor has been the spontaneous welcome extended in both countries to increased people-to-people contacts. The changed atmosphere is reflected in the friendly spirit in which

cricket matches have been played in Pakistan as well as India. Track-II interchanges have brought together persons with knowledge and experience whose opinions matter. Possibilities of co-operation in the energy sector are being explored.

Better relations between India and Pakistan will be in the interest of both countries and of SAARC. But any attempt to short-circuit the process may be counter-productive. It would be better to follow the broad approach of the dialogue between India and China, in which CBMs and other steps to foster mutual trust are not made hostage to the resolution of the border issue.

India's Extended Neighbourhood

India has civilisational ties with the countries stretching from the Central Asian Republics and Iran in the West to Vietnam and further to Japan in the East. These need to be nurtured. India's look-East Policy has brought it much closer to ASEAN. Over the ages, India has never been an expansionist power, and any accretion to India's economic or military strength is bound to be a stabilising factor in the region.

In the modern era, it is beyond the capacity of any single country to keep regional and international peace. Every country has, therefore, to safeguard its national security by building bridges with countries with which its geostrategic interests are in tune.

Geo-politically, India's strength lies in the centrality of its location in the 'bay' formed by the Indian Ocean washing up against the African and Asian landmass. India's pivotal position creates the potential to switch naval and military forces and other resources either to the East or West.

The process of adjustment to the rise of China has led to a convergence of geostrategic interests between India and China's other neighbours, among them a host of other South-East Asian Countries, Japan and South Korea.

Besides, there is a shared interest in ensuring the safety of the oil bearing sea lanes from the Gulf to India and beyond to the East. The Indian Navy's initiative in this context reflects the importance it attaches to its responsibility in this respect. Gulf oil is expected to meet three-quarters of the Indian demand by 2006. Around 1,100 super tankers passed through the Straits of Malacca

in 1997. Moreover, the 7 mbd of oil shipped through these narrow seas a year earlier are expected to increase to some 14 mbd by 2015.

The Indian Navy is by slow stages preparing itself for its role in the Indian Ocean, protecting the strategic oil lanes, tackling piracy and looking after law and order on the high seas and, in co-operation with local forces, in the extended littoral.

The Indian Navy has been steadfast in building its 'blue water' capacity in terms of a wider Indian Ocean coverage and even of a 'South China Sea presence' – in the short-term by way of exercising with its Vietnamese counterpart. Indian naval vessels have since the year of the N-tests been annually exercising with the Bangladeshi, Myanmar and ASEAN navies resulting in considerable accretion of goodwill and fellow-feeling. Not surprisingly then, the Thai Navy is looking to its Indian counterpart for help in more effective integration of a light aircraft carrier it bought from Spain into its order-of-battle. To bolster its image and presence in the oil-rich Gulf, the aircraft carrier *Viraat* held a 'demonstration' off the Emirates coast and, to balance things off, several guided missile destroyers on 'goodwill visit' to Israel docked in Haifa.

The Indian Air Force, likewise, is negotiating a deal to service the MiG 29 fighter planes in the Royal Malaysian Air Force and is discussing with Singapore the possibility of their combat pilots using the vast Indian air space for training purposes. More tellingly, it now has a genuinely inter-mediate range aircraft, the Sukhoi 30 which, coupled with aerial refuellers acquired by the Service, will give the IAF the 'legs' to back up the straightforward strategic reach of the Tu-22 bomber which will soon be available to the Indian Navy.

It is significant that, in the wake of a Defence pact with Hanoi, George Fernandez, Defence Minister in the NDA Government, talked in terms of arms sales and transfers to regional countries and of help and assistance specifically to Vietnam to encourage joint research and production of weapons systems as a means of reducing dependence of both countries on traditional suppliers.

How effective Indian nuclear capability can be in influencing the strategic balance, regionally or internationally, depends on the agility of its diplomacy. The identification and nurturing of partnerships is an ongoing process, based on shared geostrategic

perceptions or security interests. Countries which are already engaged in a 'Security dialogue' with India include the USA and Russia. Many others have evinced interest in doing so. It is no less significant that Britain and France volunteered the view, coincidentally on the same day, that India is a 'natural' for a permanent seat in the Security Council.

In this evolving situation, India needs to cement its ties with partners in the region. An initiative in this respect was taken by the NDA Government in early 2000 at the Asian Security Conference where the then External Affairs Minister Jaswant Singh spoke of "non-offensive defence doctrines" in which India's credible nuclear deterrent has a major role. He referred to these doctrines as constituting "a paradigm shift towards a benign and mutually beneficial security arrangement."

Fundamentalist Islam poses a threat to stability and social harmony in many ways. It has spawned terrorism on an international scale and lent its support to insurgency in a number of countries. In the extended neighbourhood of India, it is a matter of concern to the small sheikhdoms and emirates of the Gulf, the Central Asian Republics as well as Israel.

The contagion has been carried to the predominantly Christian Phillipines by the Al Sayaf Movement funded by Osama Bin Laden and has caused continuing turmoil in Mindanao in Indonesia.

India's credentials as a secular country enable it to reach out to elements opposed to fundamentalist Islam, among them secular-minded Turkey headed by the Rabindranath Tagore-loving President Demirel, and Iran. The latter country is potentially an important strategic asset for India. In the early 1990s, Iranian President Ali Akbar Hashemi Rafsanjani referred to India, Iran and China as part of the 'axis' of 'inter-Asian cooperation'. The External Affairs Minister Jaswant Singh, on a visit to Tehran, has some seven years later chosen to return the compliment by alluding to Iran as India's 'natural partner'.

Beyond this broad arc to the West and East of India, US, Russia and China also recognise the threat posed by the spreading tentacles of Talibanistic Islam and the need to cut them off.

Arab-Israeli relations hold the key to constructive peace in the Middle East. Over the years India has championed the Palestinian

cause. It has maintained close relations with Arab States. Even so, India would welcome genuine rapprochement between Israel and its neighbours. The last few years have witnessed improvement in Indo-Israeli relations. This is reflected in Defence technology ties, even though these are still at a nascent stage. A synergistic approach may succeed in Indian forces being able to access cutting-edge military technology developed by Israel. It could also lead to joint ventures to establish product lines in India to meet the needs of the two countries and to export to third countries.

As a friend of both Arabs and Israel, India should not hesitate to lend its support to the promotion and maintenance of Arab-Israeli peace.

The essential nature of international relations obliges smaller states to calculate individually whether they owe their security ultimately to a balance of power or 'to the preponderance' of any particular state in the region and the world at large. Happily for the extended Indian Ocean region, there is no real conflict of interests between the dominant State in the neighbourhood, India, and the preponderant international power, the United States.

The upswing in Indo-US relations following Clinton's visit has progressed further during the Bush Administration. The convergence of interest is aimed not against any country but rather to buttress the stability of the region - the geographical stretch of territory over land and sea with which India's interests have been historically linked.

In the nineteenth century, the British Governor General Lord Minto defined India's strategic frontiers as being bounded by East Africa, the Horn up into the Gulf, Iran and the Caspian Sea, thence in a line going north-westwards into Central Asia into the khanates of Samarkand and Tashkent before dropping down by way of Sinkiang and the Tibetan plateau into the Malayan peninsula east of the Straits of Malacca. By present reckoning, this encompasses a largish square whose southern side extends into the Indian Ocean way south of Sri Lanka and on the western and eastern ends are the East African and the South-East Asian littorals.

The perceptions, outlook and purpose of an imperial power like Britain were, of course, quite different. Today India's engagement with the countries of this region will naturally be on the basis

of purposeful, consensual actions and bilateral and multilateral initiatives. A nuclear armed India should be able to provide democratic ballast to this broad, energy-rich swath simmering with ethnic and religions conflict and social turmoil.

The world is fast transitioning into an era in which economic power will provide the strong undergirding for a stable security system, and India's big emerging market-strengths will be able to pull in investment capital not exclusively into the country but also the extended region. The Asian tiger-economies of South-East Asia are in the van of market forces-led prosperity. With economic reforms irreversibly taking hold, India has the capacity to help in the revival of its South Asian neighbours – amongst the poorest countries anywhere.

India adopted economic reforms in 1991. Liberalisation of trade and industrial policy exposed the domestic industry to international competition pushing it to become competitive. Liberalisation has led to widespread industrial restructuring. Strengthened competitiveness helped to push exports. Share of India in world exports increased from 0.5% to 0.8% over the 1990s.

Export of services particularly software and business process outsourcing rose at an annual average growth rate of nearly 50% over the 1990s and continue to grow at over 30% annually in the current years.

Indian enterprises have also made their mark globally in a number of industries such as generic pharmaceuticals, auto components and auto vehicles. A number of Indian enterprises began to invest abroad in a significant manner in greenfield ventures as well as acquisitions of running concerns abroad.

The large pool of trained manpower developed through creation of a world-class system of higher education helped India to emerge as a key player globally in the IT software industry which also helped in changing perceptions in the outside world about the potential of India especially for knowledge-based activity from a poor country only capable of producing low value labour intensive goods.

The time has come for New Delhi to push the South Asian Free Trade Association into taking-off. Another element in the budding system of economic cooperation was put in place when

the Commerce Ministers of Bangladesh, India, Myanmar, Sri Lanka and Thailand initialed an agreement to realise the long gestating BIMST-Economic Cooperation free trade zone. They adopted a common approach in the last round of the World Trade Organisation (WTO) talks.

With BIMSTEC up and finally running and SAFTA off the blocks, coupling with the ASEAN economies and Vietnam, South Korea and Japan, on the one side, and using Israel as a trade bridge to penetrate the European markets, on the other side, will create an economic momentum and high growth rates all around. The cooperative security factor will be boosted as a consequence because then each of these states, on an economically upward trajectory, will have a vested interest in the other's safety and security.

India has always had the potential. What it needs is a proactive and dynamic foreign and military policy, which can leverage its political reputation as a 'responsible' power, its economic, entrepreneurial and technological strengths and its strategic nuclear and conventional military muscle to carve out a larger, more meaningful international role for itself in the decidedly 'Asian 21st Century'.

Internal Security

India has more experience than any other country in dealing with violence in many forms, insurrection, naxalism and jehadi fundamentalism.

The North-East has had more than its share of violence. However, it also provides a notable example of how the Indian State enabled an underground movement to give up arms and join the political mainstream. As it happens, the CM of Mizoram, who is today devoting all his time and energy to the development of his state, was once a leader in the underground movement.

Another state, which suffered from underground violence over a number of years, is Nagaland. Fortunately, the last few years have seen an active engagement of Naga underground leaders in a patient dialogue, and as the guns have gone quiet, the strong groundswell in favour of peace among the people of Nagaland has been a very positive factor in steering the state towards full normalcy.

At present, the state needing special focused attention is Manipur. Underground groups with links to communities or tribes, engaged in sporadic spurts of violence against the state or against each other, have created a situation which militates against the economic development of this sensitive border state and the welfare of its people. This egg and hen situation, in which slowing down of development reduces employment, unemployment breeds discontent and discontent is exploited by the forces of disorder, needs to be handled with firmness and understanding.

It is necessary to reach out, in particular, to the younger generation, in the North-East and take concrete steps to involve them in activities and provide them with opportunities that enable them to build a better life for themselves as equal partners of other young people all over the country.

Assam too has suffered from terrorist violence, but the decline of public support for violence has had a salutary effect on the situation. Besides, the NDA Government succeeded in working out an amicable arrangement in the Bodo area, which has since been further consolidated. The ULFA group suffered a grievous blow when the Government of Bhutan destroyed its camps in Bhutan.

Two negative factors are still operating in Assam as well as some of the other States. One, ULFA terrorists, including some of their leaders, have found shelter in Bangladesh. Two, infiltration from Bangladesh into Assam, in particular, and the North-East in general, has become a destabilising factor. With Myanmar and Bhutan extending full support to the Indian forces fighting the terrorists, who are also not getting help from China, Bangladesh must carefully consider the strain on Indo-Bangladesh relations caused by its attitude on these issues at a time when new bridges of understanding and co-operation are being built all around.

Cross-border terrorism hung like a noxious cloud for ten years over Punjab and even longer over Jammu & Kashmir. Its unambiguous and decisive rejection by the people of Punjab led to full restoration of normalcy and Punjab is again leading the other States of the union in the race for development.

In J & K, the people defied the terrorists and took part in elections, which were free and fair, and this created an atmosphere

in which the people's longing for peace began to assert itself. Among the initiatives taken by the NDA Government in J & K, these elections proved to be a turning point. The other initiative which eventually stemmed the tide of cross-border terrorism was the joint statement of PM Vajpayee and President Musharraf in January 2004 in which Pakistan committed itself to not allowing the use of territory under its control for cross-border terrorism. This initiative has been followed up by the UPA Government and led to further improvement in Indo-Pak relations. The nation owes a deep debt of gratitude to the security forces and to the brave people of J&K for the transformation visible in the state of which the steep jump in tourist traffic is a true index.

One of the most worrisome developments in respect of internal security in the South Asian region has been the spread of Maoist violence in Nepal. Nepal's well-being, stability and economic growth are important for India and the present situation has the potential of setting Nepal back by many years. Another matter of concern is the reported attempt by the Maoists to establish links with Naxalite groups in India.

These groups are to be found in several states starting from the border of Nepal to Andhra Pradesh. The Government of India cannot afford to treat this as a mere law and order problem to be tackled by each state with its own resources. The process of Inter-state co-operation and co-ordination among the security forces with the active and constructive assistance of the Centre started by Shri L.K. Advani as Home Minister needs to be pursued vigorously. Sharing of intelligence, improved training, better weapons and a common approach to the problem of Naxalism are the building blocks of a coherent viable policy framework.

In November 2004, the National Executive of the BJP passed a Resolution on Internal Security which expressed grave concern about the situation prevailing in several parts of the country.

It pointed out that "India has been at the receiving end of both internal and cross-border terrorism. Thousands of our fellow citizens and security personnel have fallen to terror". Also, that "the issue of illegal infiltration from Bangladesh to India amounts to a demographic invasion of India. This issue cannot be handled through a politically partisan approach".

Inter alia, the Resolution drew attention to “increasing ISI activity Lack of police reforms ... crimes against women lack of progress in curtailing the underworld and anti-social forces especially in Bihar, UP, Delhi and Mumbai Rampant corruption in the police force”.

Finally, the Resolution called upon the Government :

- “to take the Nation and its Parliament into confidence on its ongoing talks with Pakistan and how it wishes to proceed;
- to desist from snatching away from our defense forces instruments that are necessary to fight terrorists and secessionists;
- to scrap the IMDT Act, which has completely disabled security and civilian authorities from deporting Bangladeshi infiltrators and which has, perversely, served as an open invitation for a demographic invasion of India;
- to institute a multi-purpose National Identity Card for all citizens;
- to prohibit the carrying of arms by anyone other than an authorised member of the security forces;
- to institute forthwith an integrated command for the entire North-East;
- to institute a joint command and task force for crushing the Naxalite terrorists;
- to firmly scotch moves that seek to pull Kashmir away from the rest of India under the pretext of talks;
- to scrupulously implement recommendations of the four Task Forces that had been set up by the NDA Government in the wake of the Kargil War;
- to act on the dire warnings and detailed recommendations that intelligence agencies have given in regard to the growth and perverse use of madarsas all along the country’s borders;
- to reinforce coordination with the government of His Majesty the King of Nepal, and to give it all possible assistance in fighting the insurgency that has paralysed that country;
- to expeditiously carry forward the numerous proposals that had been initiated by the NDA Government with the

Government of Myanmar;

- to draft a strict and decisive strategy to combat underworld and anti-social forces.

Time is of the essence. There is no alternative to decisive action. We call upon the UPA Government to act, and do so immediately only with national interest as the priority.”

There can be no meeting ground with those who reject the democratic system and the Indian Constitution and seek to replace the ballot with the bullet as an agent of social transformation. Force has to be used, and used effectively, against those who seek to grab power by hijacking democracy at gun-point.

As against such Naxalite ideologues, however, a more calibrated approach is called for to deal with their foot-soldiers. The factors that make them fall victims to Naxalite slogans have to be identified. It is no accident that Naxalism takes root in soil ‘fertilised’ by poverty, exploitation or remoteness of justice. It is necessary to pay special attention to improving living conditions in such areas with a sense of urgency. The NDA Government had identified backward Districts in various States and launched a programme to accelerate their development with Additional Central Assistance. At Home Minister Advani’s instance, Naxal-affected districts were included in this scheme.

Continued, systematic focus on these districts, accelerating development with the involvement of the people, creating work opportunities, particularly for the young and providing people-friendly governance, are essential components of a strategy to counter naxalism.

India cannot remain content with its present growth rate. It must release and harness all productive forces in the economy. That is one of the key objectives of economic reforms. We need a system of education which is designed for, and capable of, imparting to all able-bodied young persons the skills needed in a growing economy. Besides, it needs to factor in the opportunities created by outsourcing on the one hand and by manpower requirements in greying societies on the other. Creation of employment opportunities for current additions to the work force and reducing the backlog of unemployment was one of the critical factors leading to the 10th

Plan target of 8 percent rate of growth. Unemployment or severe under-employment are not only a waste of a valuable resource but also a cause of social unrest.

Social unrest can escalate into situations threatening internal security. The management of social unrest is, therefore, essential for sustained orderly progress. Economic growth has to be accompanied by equitable distribution. In a pluralistic democratic India with all its diversity, social harmony can be best ensured if the various groups have a stake in national progress and see their own good in the common good.

Statistics at the macro level do not tell the whole story. They have to be aligned with human development indices at the decentralised level. The removal of poverty continues to remain a pivotal objective. There are regional variations with some areas registering a much sharper decline in poverty than others. The same holds true for levels of literacy, health care and other social indices. It is a matter of concern that some of the largest states of the Union are lagging behind in the indices – both economic and human development. The pace at which India as a whole undergoes the transformation from a developing to a developed country will depend critically on its success in reversing this trend.

The problem is complex and involves, inter alia, governance, political and administrative, people's participation in planning and implementation and an investment-friendly climate supplemented by a supportive infrastructure. But one of the problem areas has the potential of being a part of the solution. These states have large populations and among the highest rates of growth of population. Even while efforts to bring down these rates have to be stepped up, the focus has to be on a strategy to turn the large relatively younger population into an asset.

Education and training hold the key. Universalisation of elementary education has to be accompanied by providing the means, and creating the conditions, for improving the quality of teaching/learning. Only a fraction of those passing out of elementary schools will find their way into institutions of higher learning. The rest should have access to training in skills which equip them for gainful employment, including self-employment.

This would need reforming and strengthening the vocational stream to make it flexible and responsive to the requirements of the market. The right kind of capacity building will not only make the new entrants into the work force more employable, but also enhance the productivity and efficiency of the work force as a whole.

At the international level also, a large, relatively younger population is being increasingly regarded as a competitive advantage for India. India's population of 100 crores plus is expected to grow to 160 crores by 2050. The silver lining is the growth in the work force (age group 15 - 64) - from around 62 crores in 2000 to about 106 crores by 2050. It is estimated that by 2020, India will have a surplus of 4.7 crores working people, while the US will be short of 1.7 crores, China of 1 crore, Japan of 90 lakhs and Russia of 60 lakh people of working age. This evolving demographic scene offers new opportunities to India, provided India can provide the skilled manpower required by greying countries with adverse dependency ratios. Whether the requirement is of skilled workers or top-notch professionals, meeting them would depend on the capacity of the education-cum-training system. In short, while a large population and an unskilled work force is a millstone round India's neck, necessary capacity building can turn it into an asset, nationally and internationally. The case for making the investment in financial and human resources required for this purpose is compelling.

Energy Security

Energy security will play a key role in the realisation of India's strategic vision. How India meets the energy needs of its growing population and buoyant economy will be a formidable challenge to its policy-makers? They will be called upon to ensure supply of adequate and reliable energy at affordable prices, both from the point of view of the competitiveness of the Indian economy and the widest dispersal of incomes and opportunities.

Every household needs energy, at the barest minimum for cooking and lighting. As living conditions improve, the consumption of energy per capita goes up and non-commercial energy is replaced by commercial sources of energy. Progressively,

therefore, commercial energy becomes a basic need for the domestic as well as other sectors – agriculture and industry, transport and communications, defence, science and technology, education and health, municipal and other services. This illustrative list brings out the pervasive criticality of energy security.

The two sectors that are currently the largest consumers of energy are power (for both industry and agriculture) and transport. For the power sector, commercial sources of energy include coal, oil, natural gas hydropower and nuclear energy, which together account for around 60 per cent of the country's energy supplies. Wood and biomass account for the rest.

India's per capita energy consumption is still low, being around a third of the world average.

The World Bank has estimated that energy demand in India will grow at 5.3 per cent per annum in the first decade of the 21st Century, and at 10 per cent by 2020. This according to the estimates of the International Energy Agency would be met by an increase in the power generating capacity from 106 GW to 212 GW between 1996 and 2010.

Over the years, the share of thermal generating capacity in the total mix has been going up. At present, coal remains the dominant fuel at 55 per cent of primary energy consumption, with the share of oil consumption at 36 per cent of total energy consumption. To the extent that the expected upsurge in power generating capacity will be met by thermal power plants, steps will have to be taken to ensure supply of fuel to them at affordable prices.

India has adequate coal deposits, though its quality is mostly poor. Modernisation of coal mines and beneficiation of coal are capital intensive, and this sector stands to benefit from policies which facilitate private investment. Beneficiation is necessary to improve the quality of coal and thereby discourage the trend to import coal. Between 1991/1992 and 1999/2000, coal imports have gone up from 6 MT to 20 MT. The scope of coal liquefaction and coal gasification have to be kept under constant review in the light of the behaviour of oil prices.

India imported 70 per cent of its oil requirement in 1999-2000. As things stand, this is expected to increase to around 90 per cent over the next two decades. The impact of high

oil prices on the economy can be seen from the rising import bill. India spent \$15 billion dollars (3 per cent of its GDP) on oil imports in 2003, an increase of 16 per cent since 2001. This underlines the need to step up prospecting and production of oil, on-shore and off-shore. It also lends strong support to the development of other sources of energy – solar, wind, bio-mass, geo-thermal, bio-gas, bio-diesel, alcohol, and above all, nuclear.

As of now, the focus has to be on securing stable supplies of oil and gas to meet the expected growth in demand. According to the US Energy Administration's International Energy Outlook 2004: "The countries of developing Asia account for 40 per cent of the total projected increment in world energy consumption and 70 per cent of the increment for the developing world alone." World energy consumption is expected to increase by 54 per cent over the next two decades with India and China projected as high growth centers. What is more, oil is expected to remain the dominant energy source world-wide through the next two decades, driven mainly by a robust growth in transportation.

Natural gas, which is the fastest growing source of primary energy, is projected to increase by 67 per cent. The Indian demand for natural gas is expected to grow by over 5 per cent per annum. Apart from Russia, the major gas reserves in the world are located in the Persian Gulf region. West Asia also has the largest known oil reserves in the world.

Around 67 per cent of India's oil supplies come from the Gulf. Like other major oil-importing countries, India has been diversifying its energy sources. At the same time, Indian firms are investing in overseas oil and gas fields. Till date, around \$3 billion has been invested in buying equity in overseas energy blocks, which include Russia (Sakhalin), North and West Africa (Sudan and Algeria), Myanmar, Vietnam and Syria, and India is currently negotiating with Iran for the same. India is expecting to have access to around 20 million tones of equity oil by 2020.

The previous National Democratic Alliance (NDA) Government had also taken a decision to set up Strategic Petroleum Reserves (SPR), which could be tapped in times of supply shortfalls or extreme price volatility. However, India is currently looking

at setting up a smaller, 15 million tonne SPR to begin with, which could be increased over time to allow it to have access to around 45 days worth of crude supplies.

For a country of India's size, dimensions, population and economy, safeguarding energy is a strategic priority. High dependence on energy imports raises security concerns ranging from the need to build elaborate and secure pipeline networks and other necessary infrastructure, to monitoring political and economic developments in countries/regions from where India sources the bulk of its imports.

These concerns will have to be addressed by policy-makers on a continuing basis, not only in terms of geo-politics but technological options based on the country's natural resources.

India has large thorium reserves and its nuclear programme was from the beginning designed to utilise these reserves for power generation. At a time when there is growing international concern about the environmental impact of thermal power plants, there is a strong case for India to increase the weightage of nuclear power generation in its energy mix. As India must increase energy supply substantively to accelerate economic growth and raise consumption levels, both India and the international community have a common interest in encouraging an environmentally benign option.

It is estimated that while carbon dioxide emissions from thermal power plants range from 960-1300 g/KWH for coal to 460-1230 g/KWH for gas with oil broadly in between, the figure for nuclear plants is 9-100 g/KWH. Carbon dioxide is the main substance associated with the green house effect and global warming. Environmental experts warn that the overall CO₂ emissions should be cut from 25 billion tones annually to 10 billion tones, even as overall energy production increases.

For India to maximise its contribution to this international effort, the handicaps which slow down its nuclear power programme need to be removed. One of these is the denial of nuclear and dual-use technology, materials and know-how to India.

India has responded to these denial regimes by indigenising the nuclear processes, materials and technology. While it has

achieved a high level of self-reliance that shall sustain the power programme access to technological, material and financial support from outside would give a fillip to the growth of nuclear power capacity in India.

India is a de facto Nuclear Weapon State (NWS). At a time when revelations about nuclear proliferation have involved Nuclear Weapons States (NWS) as well as non-nuclear weapon states, India's record has been not only above-board but also subject to IAEA requirements. As India's unique position is being increasingly acknowledged both in terms of its security needs and non-proliferation, and strategic partnerships are being discussed with several major countries, it should not be beyond the ingenuity of diplomats and experts, given the necessary political backing, to find a way to discontinue the application of the technology denial regime to India.

Conclusion

India's real strength lies in its people. Spread across the length and breadth of this vast land, adjusting with confidence to the rising tempo of economic and social change, they are the guardians of this country's unity, democracy and sovereignty. Given the right conditions they will doubtless raise India to its full potential. It is for the polity to create those conditions. It will need greater political will and determined action than is in evidence to overcome the weaknesses in the institutions of governance, justice, education and elections. However, India must put its house in order as its stature in the world ultimately rests on its internal strength. The world came to accept the reality of Pokharan-II as it was a manifestation of national strength and confidence. As India prepares to play its part in the unfolding 21st Century, which is being projected as the Asian Century, it must take an integrated view of the mutually supportive role of internal and external security. Once they are assured of their security, the people of India will do the rest.

□

Making India A Major Tourist Destination

—Jagmohan

Significance

Presently, the Tourism Industry is one of the biggest industries in the world. Its international receipts totalled \$ 476 billion in the year 2000, and are likely to touch \$ 2000 billion by the year 2020. In terms of the tourist traffic, the number of tourists has already crossed 700 million mark and is estimated to swell to 1.5 billion by 2020. This industry provides 207 million jobs – one in every 12. In India, every million rupee invested in tourism could create 47.5 jobs as compared to 12.6 jobs in manufacturing. It could help a great deal in eliminating poverty, in ending unemployment, in creating new skills, in enhancing the status of women, in developing small towns, in preserving our vastly spread out cultural heritage sites, in improving overall environment and in facilitating the growth of a more just and fair social order. It could earn a huge amount by way of foreign exchange. It is a smokeless industry and specially suited to our conditions.

India's Potential

India is one of the most ancient civilisations of the world. It has vast bounties of Nature – majestic mountains, lovely beaches, wonderful wildlife and enchanting bird sanctuaries – and also great treasures of art, architecture and philosophic thought. Its cultural and sacred space, extending from the Rock Memorial in Kanyakumari to Hampi in Karnataka, to Vaishno Devi in Jammu to Shankaracharya Hill and Amarnath Cave in Kashmir, and to the Buddhist Monasteries amidst the moonscape of Ladakh, is virtually immeasurable. Vast opportunities exist with regard to nature, adventure, rural and wildlife tourism and also in relation to our practices of Yoga, Siddha, Ayurveda and Unani systems of dealing with physical and mental ailments. It has 572 nature endowed areas – 89 national parks, 483 wildlife sanctuaries and 3606 protected monuments under the Ancient Monuments and Archaeological Sites and Remains Act. ~~“For variety, extent, completeness and beauty, these monuments are unsurpassed, perhaps unequalled~~
The writer is former Deputy Chairman, Planning Commission.

in the world". "What is there that is not here", aptly sums up its many a splendoured heritage.

With this backdrop of history and heritage and the new horizons that were opened to us after the attainment of Independence, we could have presented to the world the wonder that is India – wonder not only in terms of the beauties and bounties of nature but also in terms of a civilisation that was born, bred and beckoned here and also beamed outside its geographical frontiers and left its imprint as far as Bamiyan in Afghanistan in the north-west and Cambodia in the east.

Mark Twain was absolutely right when he observed: "The one land that all men desire to see and having seen once, by even a glimpse, would not give the glimpse for all the shows of all the rest of the globe combined." In fact,

India is a journey of mind and soul.

It is a journey of the five senses.

It is a journey of self-discovery.

It is a journey of self-fulfilment.

Clearly, we had a great potential and could have become the tourist destination number one of the world. But, unfortunately, upto 2001, India's share of world tourism traffic remained extremely poor. We even allowed the tourism revolution, which has been sweeping most parts of the world for the last four decades, to pass us by. In 1964, the number of tourists leaving their homes, worldwide, was 100 million. This number increased to 200 million in 1974, 500 million in 1992 and 700 million in 2001. India's share, as indicated above, has remained static; in fact, it has gone down from 0.54 per cent in 1950 to 0.38 per cent in 2001. This performance looks all the more dismal when it is compared with that of China. During

the period 1985-99, tourists arriving in China have increased by 134 per cent as compared to India's increase of a mere 7 per cent. During the last decade, 1990-99, China has witnessed an annual growth of about 18 per cent.

To make good the chronic deficiencies of the past and to tap India's potential to the full, the Government of the National Democratic Alliance decided to introduce a new National Tourism Policy. After examining all aspects of the Tourism scene and subjecting connected items to an integrated look, a comprehensive policy was formulated and announced by me in the Parliament in 2002. This policy rested upon the following basic fourteen principles:

1. India must change its strategy to realise its full potential and also take full advantage of the changes inherent in the process of globalisation.
2. At the institutional level, a framework would have to be evolved which is Government-led, private-sector driven and community-welfare oriented. Government have to provide a legislative framework to regulate tourism trade and industry, ensure safety and security of the tourists and create basic infrastructure and health care facilities. The private sector has to act as a main spring of the activities and impart dynamism and speed to the process of development as well as conservation. Both Government and the private sector would be required to safeguard the stability and also the social and economic advancement of the local communities and the communities in the neighbourhood.
3. The deep-rooted relationship of tourism and our cultural assets should be fully recognised and provided for. Improvements and environmental upgradation of the protected monuments and the areas around them should be considered as a linchpin of the tourism industry.
4. Effective linkages and close coordination should be established with such Departments as Civil Aviation, Environment, Forest, Railways, Home etc.
5. The sustainability should serve as a guiding star for the new policy. The development and management strategies should be so worked out as to ensure that tourism largely

acts as a smokeless industry and its ecological footprints remain as soft as possible. No one engaged, directly or indirectly, in the tourism industry, should be allowed to secure short-term gains by resorting to what has been called the darker side of tourism. Neither over-exploitation of natural resources should be permitted nor the carrying capacity of the tourist-sites ignored.

6. Greater emphasis should be laid on eco-tourism whose parameters should be broader than those of nature tourism alone.
7. Special thrust should be imparted to rural tourism and tourism in small settlements, where sizeable assets of our cultural and natural wealth exist.
8. Due importance should be given to domestic tourism, particularly tourism connected with pilgrimage, and it should be so designed that the infrastructure created under it serves as a backbone of international tourism in times to come.
9. A new class of young tourists, with marked preference for adventure and distant destinations, in hills, caves and forests, is emerging. This class is not looking for 5-star accommodation but only for simple and clean places to stay. The requirements of this class of tourists should be met and guest tourism encouraged through Panchayats and local bodies and associations.
10. Special attraction of tourists for the Yoga, Siddha, etc., as well as for the Indian cuisine should be made use of and effectively encouraged.
11. The tourist industry and travel agents should be persuaded to evolve and adopt voluntarily a Code of Ethics and its infringement should be firmly dealt with by Tour and Travel Associations.
12. A section of the State police should be earmarked to act as tourist police and special training should be imparted to it.
13. At the international level, India should play a dynamic role and make its presence felt at the World Tourism Organisation, World Tourism and Travel Council and Earth Council. Its unique cultural values and spiritual

heritage should be projected with dignity and elevation befitting a great nation, whenever suitable opportunity comes our way.

14. The civilisational issues as well as issues pertaining to Civic Administration and good governance must be attended to and made an effective part of the tourism policy. It should be ensured that good policies are not shipwrecked in the sea of half-hearted implementation.

The Policy laid special emphasis on the need to:

- position tourism as a major engine of economic growth;
- harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism;
- focus on domestic tourism as a major driver of tourism growth;
- present India as a global brand to take advantage of the burgeoning global travel trade and the vast untapped potential of India as a destination;
- acknowledge the critical role of private sector with government working as a pro-active facilitator and catalyst;
- create and develop integrated tourism circuits based on India's unique civilisation, heritage, and culture in partnership with states, private sector and other agencies;
- ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and 'feel India from within'.

As soon as the policy and the strategy to secure its implementation was finalised, ground-level work was started. A programme of action, named New Initiative, was evolved. It sought to create Centres of Tourism excellence all over the country, giving priority to the landmarks of India's history and culture.

How the work was actually carried out and what was the underlying motivation for it would be clear from the few typical cases the particulars of which I give in the paragraphs that follow.

Kuruksheetra

I would first take up the case of Kuruksheetra, a cradle of India's culture and civilisation. It was here that the epic battle of the Mahabharata was fought, triumph of good over evil demonstrated and the great message of the Gita delivered – a message that has been rightly described as the eternal message of eternal India.

Gita and the Modern Man

The Gita is not merely a sermon by Lord Krishna to a dejected Arjuna who, having seen his kinsmen and teachers arrayed on either side of the battlefield, refuses to fight. It is, in fact, a message to the whole of humanity. It presents a view of life, a vision of man's place in the universe and obligation of doing his duty without any yearning for reward. It is highly relevant to the contemporary world which, despite unprecedented affluence and advancement in knowledge, is beset by unprecedented stresses and strains.

Kuruksheetra symbolises the modern world, Arjuna, the modern man and Krishna, the Great Preceptor who offers a solution to the existential crisis through an integrated vision of the cosmos and wants to lead humanity from the unreal to the real, from darkness to light and from death to immortality.

Over the years, the sands of time and storms of history had submerged the intellectual and cultural heritage of Kuruksheetra. Under the New Initiative Programme, practically all the strands of this heritage were dug out of the debris of the past and reset in physically enchanting and spiritually elevating environment.

Historical Backdrop

As historical backdrop, I may indicate that Kuruksheetra is named after a noble King, Kuru, who set out on a pilgrimage. He came to the bank of a holy river, Saraswati, and chose a piece of land for 'cultivation of ethical conducts'. God Vishnu appeared and asked Kuru from where he would find the seeds. Kuru offered his

limbs, one by one. God Vishnu cut them into pieces and scattered them all over the field. Touched by the noble deed of Kuru, God Vishnu declared the land to be the holiest of the holy and named it *Dharmakshetra-Kurukshetra*. To visit this holy place and to take a dip in its holy tank is believed to be a pious act which has the effect of removing all previous sins.

The sanctity attached to Kurukshetra is compounded by its being a scene in the Mahabharata as well. The Kauravas and Pandavas, who were the members of the ruling tribe, descending from King Kuru, were cousins. The former cheated the latter, humiliated their queen, Draupadi, and refused to concede even their most just demand. The war between the two became inevitable.

Site of Gita's Message

Jyotisar, located at the outskirts of the existing township of Kurukshetra, is believed to be the spot in the battle-field of the Mahabharata where the Gita's message was given. It was in a state of utter neglect. When I visited the spot to draw up plans for its proper upkeep, I found nothing but a sprawling pond, full of mud and slush with masterless cattle roaming all around. The few patches of even land that existed had been badly encroached upon.

All this dirt and dross was removed and the entire complex was elegantly landscaped. It was provided with a clean water body and a platform with the ambiance of an open air theatre. An artistically designed 'light and sound' show was made a focal point of the complex. This 'show' tells visitors the story of the Mahabharata with all its dramatic features, and also transmits the message of the Gita by way of gripping narrations and captivating visuals fashioned out of the dominant features of the complex.

Through one such visual, Krishna unfolds the Cosmic Spirit which he represents and tells Arjuna, "Behold my forms! Behold now the entire universe, animate and inanimate, all unified in My body!... But you cannot see Me with your eyes. Eyes divine I give you. Behold My divine power" (Gita, 11.7, 11.8). Herein lies the core of the Indian thought which perceives Non-Dual Reality

behind the smoke screen of 'Surface-Duality'; a pattern of existence which constitutes an organic web and in which every item of life is inextricably enmeshed with every other item – a phenomenon of being One in All and All in One.

Other Landmarks

The other sites of cultural significance, located in Kurukshetra, were also cleaned up and improved. *Brahma Sarovar* is a huge water body, 1800 feet in length and 1400 feet in breadth. Pilgrims pray at its banks and purify themselves with a bath in it. Throughout the year, it remains filled with clean water. It is served by beautifully laid platforms and staircases. At night, it sparkles under the newly laid system of lighting. *Sanihit Sarovar* is another holy tank whose sorry spectacle has given way to a neat and clean water body. It too shimmers at night under the glow of lights.

In line with India's traditional search for peace, tranquility and communion with nature, a galaxy of parks, with a halo of spirituality created around them, have been developed. They include *Purushottama Park*, *Harshavardhana Park* and *Tapovana Park*, which was earlier a big garbage heap of the town.

Thaneshwar Fort and Excavations

In the immediate vicinity of Kurukshetra lies another ancient city – *Thaneshwar*. It was the capital of the great kingdom of Harshavardhana (606-647 AD) about whose noble character the famous Chinese traveller, Hsuan Tsang, has left a glowing account: "The King was indefatigable. The day was too short for him. He forgot sleep in his devotion to good work."

The massive fort built by Harsha had been mutilated by massive encroachment and illegal constructions. All these encroachments and constructions were cleared and the fort restored to its original form. On the western side of this fort, extensive excavations were undertaken and many hidden layers of Indian history brought to light. These excavations were a part of an overall project under which scores of Harappan sites from Adi-Badri in Haryana to Dhola Vira in Gujarat, located on what is believed to be the embankment of now submerged river Saraswati, were to be excavated.

Results

All these and other connected measures, the details of which may not be relevant here, have broadly yielded the results that were intended to be achieved. *Kurukshetra has turned out to be one of the finest centres of the much needed awakening in India, a great nursery for greening of her barren landscape and a path-directing link in the long chain of illuminating signposts of cultural regeneration that were being set up all over the country, under the 'New Initiative', from Mahabalipuram in the South to Martand in the North and from Kumbhalgarh in the West to Kamakhya in the East. It has also become a symbol of executional excellence which shows how an inspired and focussed leadership with a new entrepreneurial style of governance but with values firmly rooted in the ancient nobility of India's temper can produce positive and wholesome results simultaneously on a number of fronts – economic, social and environmental. For local residents, too, the quality of life has improved immensely. They now take pride in their island of elegance and experience an urge within them to make their habitats still more soothing and graceful.*

Ajanta

In the spiritually elevating environment caused by the rising tide of Buddhist thought and in the wild solitude of dense and green forests and gentle and graceful streams, the Ajanta Caves were cut out of rocks and magnificent murals created on their inner walls by guilds of great artists and artisans from the 2nd century BC to the 6th century AD.

Rare Beauty

Patronised by princes, these artists produced works of rare beauty which had both 'a sense of the sublime' and 'a sense of design'. The inspiration was invariably spiritual. The dedicatory inscription on Cave 16 says: "Realising that life, youth, wealth, and happiness are transitory, the prince had this magnificent dwelling constructed to be occupied by the best of ascetics. It resembles the palaces of the lord of gods. As long as the sun shines with rays reddish like fresh red arsenic, so long may this spotless cave be enjoyed."

There are 29 caves in all. Some were temples (Chaitya) and

others were monasteries (Vihara). They were painted in two main phases. Phase I was dominated by the Hinayana school of Buddhism which permitted Buddha to be painted only in the form of symbols. In the second phase, the Mahayana school of thought gained ascendancy and the paintings depicted Buddha in physical form.

The paintings of both phases are intensely human and mirror the history and culture of the times. Commenting on these paintings, the celebrated art historian and critic, William Rothenstein said:

On the hundred walls and pillars of these rock-carved temples, a vast drama moves before our eyes, a drama played by princes and sages and heroes, by men and women of every condition, against a marvellously varied scene, among forests and gardens, in courts and cities, on wide plains and in deep jungles, while above the messengers of heaven move swiftly across the sky. From all these emanates a great joy in the surpassing radiance of the face of the world, in the physical nobility of men and women, in the strength and grace of animals and the loveliness and purity of birds and flowers; and woven into this fabric of material beauty we see the ordered pattern of the spiritual realities of the universe.

Hell Hole

Elsewhere, while analysing the work-culture of the executive, I have briefly touched the case of Ajanta caves. *Therein, I have indicated how, notwithstanding the superb quality of these 'monuments in mountains' and the world-wide reputation which Ajanta paintings had earned as being "the greatest artistic wonder of Asia", an abominable slum was allowed to come up at the very feet of caves and entry to this 'ante-chamber' of heaven passed through the hell-hole of the Indian Administration.*

New Environment

Under the New Initiative, a determined effort was made to create a new environment. A civic-cum-tourist-cum-cultural complex was constructed about 3 km from the caves. Here, amidst an elegantly landscaped space, a shopping centre with 72 units, including five restaurants, was set up. A large car and bus parking area, with scientifically designed pattern for circulation, was also

brought into being. An information-cum-documentation-cum-interpretation centre, with attached facilities of medical care, is coming up. Another innovation was a green buffer that was created between the new centre and the cave complex through which only the road connecting the new centre and the cave complex now passes.

In the caves, cool fibre optics light was provided. This enables visitors to see the paintings in all their artistic glory and understand the stories they contain. The area vacated after the clearance of the slums at the foot of Sahyadri hills was landscaped, afforested and merged into the cave complex in accordance with an overall blue-print of creating the same environment in which the caves were hewed and murals painted.

The objective was to ensure that amidst the lovely greens of mountains and meadows of the Sahyadri range and the slow rustle of the Wagora river, the visitor to this massive complex of 29 caves was able to hear the '*voices of silence*' which the Ajanta paintings transmit in abundance. This objective has been realised in a record time.

The ante-chambers of heaven, as the Ajanta caves were once described, have been recreated. The soft music has been reinjected in the slow rustle of Wagora rivulets and the cosmic dance of the swinging trees on the Sahyadri hills made more meaningful and refreshing. Now, every item around lifts the visitor upward and puts him or her in a frame of mind through which could be seen the ordered pattern of the spiritual realities of the universe, and the true purpose of life in this world and beyond.

Ellora

No less remarkable than the Ajanta caves is the complex of rock-cut temples at Ellora. It is an incredible masterpiece of art and architecture in India. Its astonishing quality can be seen from the fact that one of the temples, modelled on the Kailash mountain in the Himalayas, is the largest monolithic structure in the world. Its massive dimensions are double than those of the Parthenon. It took about 100 years and about 1000 men to hew out 220,000 tonnes of rock. A unique feature of this temple has been commented upon in the UNESCO publication on the World Heritage sites in the

following words:

The carvers were sure to use 'cinematographic' care in every detail of the sculptural work, and every bas-relief is a masterpiece in itself. The most outstanding is that of the terrible demon Ravana, who imprisoned in the bowels of Kailash, tries to free himself by shaking the mountain angrily, while Shiva, both amused and contemptuous, placates the earthquake using just the big toe of his left foot.

There are 34 temples in the Ellora complex. Twelve are associated with Buddhism, 17 with Hinduism and 5 with Jainism. Before the work of restoration and environmental improvement was undertaken in this complex under the *New Initiative*, the conditions prevailing there were as disappointing as in the Ajanta complex. Now the awe-inspiring, spectacular, panorama of Ellora serves as a magnificent window to the great arts of India. It takes the visitor to a higher horizon of thought which has always been a distinctive feature of Indian culture:

Vast, heavenly, of unthinkable form,
 And more minute than minute,
 It shines forth,
 It is farther than the far,
 Yet here near at hand,
 Hidden in the cave of heart
 Is all that you need to see.

Restoration work within and creation of green buffers around have brought back the glow which makes you see not only what is hidden in the heart of these caves, but also what is hidden in the cave of your own heart. Such is the enduring result of a noble vision followed by an inspired and vigorous action by way of creative governance.

Monuments of the Science of the Soul

Buddhism is one of the finest thought processes which India has given to the world. It offers in the words of great Buddhist scholar, Paul Dahlke, "a unique moment to moment drama for the struggle for truth". Its great worth has been underlined by Edmond

Holmes in the following observation:

The ideas of Buddha are eminently congenial to the scientific tone of Western thought; and the day will come when the Conception of Life which they embody will be accepted in the West as the sanest and truest conception that the mind of man has yet devised and as the only stable foundation on which to build – what will surely be the fittest monument to Buddha's greatness – the Science of the Soul.

In India, there are a very large number of monuments which manifest this 'Science of the Soul'. I brought almost all the significant ones, such as those in Bodh Gaya, Sarnath, Chaukhandi, Nalanda, in the ambit of New Initiative Programme and undertook several restoration and improvement works on lines similar to Ajanta and Ellora.

Since my main purpose in this chapter is to give a few typical examples of each category of monuments about the results that an inspired governance machinery can achieve and since I have dealt with this category under Ajanta and Ellora, I am not going into details of these cases here.

Red Fort

In 1638, the Mughal emperor Shahjahan decided to shift his headquarters from Agra and build a new capital city on the bank of river Yamuna, near the old ruins of Firozabad, Delhi. Here, a massive Fort, called the Red Fort, with its mighty walls, gates, towers etc. was constructed in about eight years. Emperor Shahjahan lived in the Fort and ruled the empire from it. The Fort was almost a self-contained imperial township, accommodating about 5,000 persons.

Unique

The layout of the Red Fort is unique. It is octagonal in conception. It has two long walls on the east and west and six smaller ones on the north and south. It contains a number of remarkable buildings, including *Diwan-i-Am*, a hall for public audience; *Diwan-i-Khas*, a hall where the high dignitaries met; *Rang Mahal*, justly famous for being the crowning jewel of Shahjahan's seraglio; and *Nahar-i-Bihist*, a branch of Ali Mardan's canal, which

fed the fountains and chutes, etc.

It was on account of the Red Fort's grand design and its glorious buildings that Ferguson described it as "most magnificent palace in the East – perhaps in the world."

Saga

But the story of the Red Fort does not lie merely in the grandeur of its layout or the glory of its buildings or the grace of its parts or the gurgle of its fountains. Here, every stone, every column, every pavilion, painting, and pathway unfolds the saga of the ages gone by. They tell us how a greater empire was built, how an unmatched splendour was injected into its brilliant buildings, how compassion and cruelty were simultaneously exercised, how an absolute power-structure ultimately became a victim of its own arrogance, indolence and delusion, and how it fell into the hands of a cool and calculating company and eventually into the grip of the British rulers.

After the tragic event of 1857, the British Army occupied the Red Fort. To provide free movement for its soldiers and armoury, it demolished all the buildings within a radius of 448 yards, covering the entire area between Jama Masjid and Chandni Chowk on the one side and the Fort wall on the other. But despite these acts of destruction around the Fort, the British rulers could not but be dazzled by its imperial tradition. This tradition found full expression on 14 December, 1911, when King George-V and the Queen, with their glittering crowns and colourful robes, and with all the glory associated with the great oriental monarchs, appeared from the balcony of the Red Fort to a cheering crowd of about half a million.

To the Indian freedom fighters, too, the Red Fort remained a symbol of power. The slogan given by Netaji Subhash Chandra Bose to his Indian National Army was '*Delhi Chalo*' and the first flag of free India was also hoisted on it by Pandit Nehru on 15 August, 1947.

Wounds of History

Over the years, the Red Fort had suffered at the hands of time. History had inflicted its own wounds. Casualness had sapped

whatever little energy was left in its limbs and bones.

When, after taking over as Minister for Culture and Tourism, I went to have a look at the Red Fort in depth, I came across a number of shabby structures. The open ground at the back of the Fort had become a nauseating slum. It was often used as what was called '*chor bazar*'. The overall picture was so depressing that I wondered whether any improvement plan could at all be drawn up and executed. But on further consideration, I decided to resurrect the entire complex with all the determination that I was capable of mustering. A project called 'Rebirth of Red Fort' was drawn up and executed firmly and speedily.

Project - Rebirth

The entire surface of the Fort walls - 21,219 square metres - was thoroughly washed and chemically cleaned. The 1.7 kilometres long moat with massive slush accumulated over the years was cleared. About 23,000 cubic metres of debris, with a load of 3,500 trucks, was lifted from it. About 2,200 square metres of pathways which were of flag stones and were subsequently damaged were relaid in accordance with the original design. The shell plaster on the walls of *Mumtaz Mahal*, *Rang Mahal*, *Hamam*, which had peeled off, was refixed. All the 23 red sandstone *Jali-windows* which had broken, were remade. *Diwan-i-Khas*, *Khas Mahal*, *Naubat-Khana*, *Tehkhana*, too, were brought back to their old glory. The *Hyat Baksh Garden* with its fountains, channels and cascades was also restored.

The old underground passage to the Yamuna River Front, under the *Musamman Burj*, was cleared and opened on the Ring Road side. Restoration of *Nahar-i-Bihist*, which seemed almost impossible, was also carried out.

A special treatment was accorded to a virtually unknown *baoli* - step-well - which hides a small but an inspiring part of history of our freedom struggle. It had an indigenously designed bathing tank and a large courtyard, about 28 feet below the ground level, approachable through stairs. During the occupation by the British Army, the *baoli* fell into disuse and a good part of the courtyard was converted into prison cells where the freedom-fighters called dangerous prisoners by the British Intelligence were brought for

interrogation. After 1945, however, the *baoli* and the cells were closed. Later on, a lot of junk, garbage and building material got dumped here. It was only after the transfer of the area from the Army that the *baoli* was cleaned. Hundreds of truckloads of garbage were removed and the prison cells and the *baoli* exposed to the view, bringing out quite a few hidden pages of our history.

New Looks : New Wings

If you now look at the back of the Red Fort, you would find a great new landmark in the capital – elegant and enchanting. The scene would be particularly pleasing if you drive or walk along the Ring Road, late in the evening, when the recently cleaned up, conserved and restored eastern side of the Red Fort is lighted up with a newly installed lighting system.

Similar treatment was accorded to the vast uneven and uncared for area on the Chandni Chowk side which has been converted into a beautiful national park – 15 August Park. Thus, two glorious green wings were provided to the Fort, which would enable it to fly into the future with grace and confidence.

CONSERVATION ACTIVITIES

Humayun's Tomb

The Humayun's Tomb, Delhi, which provided inspiration for subsequent construction of the world famous Taj Mahal, Agra, is one of the most significant monuments of India. It reflects the synthesis of some of the finest architectural traditions of India, Persia and Central Asia. It marked "the end of the sombre style of early Indo-Islamic architecture and laid the foundation of the ornate style that characterised the mature Indo-Islamic architecture and culminated in the Taj. The rigid main lines of the building are diversified by *chattris* or pavilions essentially Hindu in origin and without impairing the strength of the design, give it a coherence foreign to its Persian prototypes."

The Humayun's Tomb has within its complex a number of other monuments, including the house where the great Sufi saint Nizamuddin Auliya lived. In fact, one of the reasons for selection of the site for Humayun burial was its close proximity to the *Dargah*

of the holy preacher.

Previous Conditions

For the purpose of making improvements under the New Initiative Programme, I treated all the historical buildings in the compound of Humayun's Tomb and its immediate vicinity as integrated components of one great complex, extending from *Nila Gumbad* in the north to Lodhi Road cremation ground in the south. The conditions prevailing therein were, to say the least, depressing. At the main entry of the Humayun's Tomb itself, shabby stalls had been put up under a notoriously corrupt system of municipal patronage, known as *Tehbazari*, and all sorts of heavy vehicles, which had no concern with the monuments, were allowed, albeit illegally, to occupy the open spaces. On the *Nila Gumbad* side was a huge citadel of India's vote bank politics. Here, thousands of 'slum dwellers' were kept by an influential section of political leadership to serve as 'bonded voters' during the elections to the Municipal Corporation, State Legislature and Parliament. The environment of the Dargah of Hazrat Nizamuddin Auliya had also been savagely degraded. The holy tank had become a huge cess pool of stinking slush. To prevent any mishap, the police had locked its entry-gate.

Improvements

After implementation of various projects under the New Initiative Programme, the conditions in and around this complex have undergone a sea-change. All the stalls and other intrusions were removed and monuments and green spaces restored. Elegant parks and gardens now surround the monuments, adding to their dignity and grace, besides providing long, enchanting and graceful avenues to morning and evening walkers in the heart of Delhi. On the extremities of the complex, two new boulevards were laid out, one leading to the historic Gurudwara, Dum-Duma Sahib, and other to Nizamuddin Railway Station along the Barapullah Nallah, thereby making the whole area of monuments noise and air-pollution free.

On the *Dargah* side, the holy tank was thoroughly cleaned—perhaps for the first time in living memory – by using high-

pressure technology. The centuries old slush which filled scores of huge tankers, was sucked out. The important monuments in the neighbourhood, like *Chausath Khamba*, *Bara Khamba* and *Mirza Ghalib Mazaar* were also extensively cleaned up and restored.

A Memorial to Dara Shikoh

What specially delighted me, while executing improvement plans for this complex, was the fulfilment of my long cherished desire to give a memorial park to Dara Shikoh whose grave is located in this complex, almost unknown and unattended. He was the eldest son of Shahjahan and the most learned, the most enlightened and also the most tragic figure of Mughal history. He was an eclectic soul who wrote books underlining the common strands of Hinduism and Islam and who held promise of being another Akbar. This noble prince, whose ascendancy to the Mughal throne, instead of Aurangzeb, could have turned the course of Indian history in the right direction, certainly deserves a memorial park to keep alive his memory as well as the story of his tragic end at the hands of his younger brother. This story has been told by Stanley Lane Pool, the celebrated historian of Aurangzeb, in the following words:

Dara Shikoh was paraded through the streets of Delhi dressed in the meanest clothes, on a wretched elephant, covered with filth, and the tumult which this barbarous humiliation stirred up among the people nearly amounted to a rebellion. 'Everywhere', says Bernier, "I observed the people weeping and lamenting the fate of Dara in the most touching language : men, women and children wailing as if some mighty calamity had happened to themselves." They showed such alarming sympathy with Dara, that Aurangzeb resolved upon his speedy execution. On the 15th of September, 1659, he was executed. When he was dead, his body was carried round the city to prove to all men that the deed was done, and 'many wept over his fate'. His head was taken to Aurangzeb, who had it washed from blood, to make sure of its identity, and then ordered it to be buried in the tomb of Humayun.

All in all, in a short span of time, a number of historical monuments in this complex have been given a fresh lease of life and green belts created around them, which nurse not only architectural legacy of the country but also its eclectic dispositions. When

illuminated at night, the monuments, particularly the Humayun's Tomb, *Nila Gumbad*, *Mirza Ghalib ka Mazaar*, and *Subz Burj*, look truly magnificent. It is attracting many more visitors than before. In a single year, the number of visitors has increased four times.

Quila Rai Pithora

Quila Rai Pithora was, till recently, nothing but a huge, uncared for, mound, which was being used as a defecation ground by the slum dwellers living on and around it. Hardly any one, except a few scholars, knew that an important slice of Indian history lay buried underneath, including the one pertaining to Quila Rai Pithora and Lal Kot, the first of Delhi's Seven Cities, built in about 1180 and associated with the legendary Rajput ruler, Prithvi Raj Chauhan.

One of my first acts, after taking over as Urban Development Minister, was to visit this site, order its clearance, activate the Delhi Development Authority's machinery, formulate and execute a development plan. At that time, only a tiny area of the mound was 'protected'. When my portfolio was changed to that of Tourism and Culture, which included the charge of Archaeological Survey of India, I ensured that the entire mound was declared as 'protected' under the Ancient Monuments and Archaeological Sites and Remains Act, 1958, and arranged for its extensive excavation.

Ruined Magnificence

Today, you see the excavated ramparts and walls of Quila Rai Pithora in all their 'ruined magnificence', whose medieval charm is enhanced manifold at night when the monument is lighted.

The newly built Conservation Centre, with a splendid statue of Prithvi Raj Chauhan erected on it and development of green parks on all its sides, have now become an outstanding example not only of constructive restoration but also of weaving history and heritage in our urban fabric and providing freshness and tranquility in the otherwise congested and fast expanding cities. Presently, about 10,000 persons are using these greens for morning and evening walks. Its Conservation Centre houses a permanent exhibition on the March of Indian Civilisation, from the Harappan times to the present day.

Mahabalipuram

The Mahabalipuram Complex, built in the seventh century, under the Pallava regime, covers some of the most remarkable Rock cut shrines of India – Arjuna’s penance, a bas relief with life size images; Pancha Pandava Rathas, a set of five mini shrines carved out of one rock in the form of chariots; Mandapams, sculptural relief depicting stories from Hindu epics; and Shore Temple with a square lower storey and a pyramidal superstructure.

While inscribing this set of monuments in the World Heritage Sites, the UNESCO has observed: “This art is Indian with such purity of line, such nobility, such perfection that these works are indicative not of primitive society, but rather the zenith of a civilisation”.

Under a restoration, conservation and improvement Master Plan, drawn as a part of the New Initiative, a *sparkling look has been imparted to this great heritage of India and its various temple sites integrated through elegantly laid green walkways and refreshing parks*. With its slums, shops and workshops, relocated, the majesty of the sea stands out from all sides and adds its charm to the fascinating environment.

Hampi

Hampi contains the ruins of some of the finest monuments of India’s classical traditions. Built during the period of the last great Hindu Empire in the South, Vijayanagar, whose significance, in the words of noted historian, R.C. Mazumdar, “is that for well three centuries it stood for the older religion and culture of the country and saved these from being engulfed by the rush of the new ideas and forces.”

At its zenith, the empire’s capital, Hampi, was highly prosperous and housed a population of about 5 lakhs. In the words of the Persian traveller, Abdur Razak (1443), “neither the eye has seen nor the ear has heard of any place resembling it upon the whole earth”. Domingos Paes, Portuguese traveller, described it as “the best provided city in the world.” It fell in 1565 under the combined onslaught of the neighbouring Muslim kingdoms of Bijapur, Bahamani and Golkonda. It was brutally plundered and subjected to a carnage that was more thorough than the sack of Rome by Attila, the Hun, in the 5th century.

Under the New Initiative, a comprehensive rejuvenation plan was formulated and executed with vigour and speed in the entire area of Hampi which falls broadly in three complexes of Virupaksha Temple Complex, Vithala Temple Complex and Royal Palace Complex.

All shops, stalls and other incompatible structures, presently located in or near the monuments, are being relocated in an elegantly built new commercial centre, wherein all facilities for visitors are also being provided. No commercial activity or residential buildings are allowed beyond this centre from where only small battery-operated buses would move to the monuments, some of which have already been restored and their ancient glory enhanced by illuminating them at night. All open and dusty spaces have been beautifully landscaped and lands in neighbourhood acquired to create 'great green buffers' between the monuments and human habitation. The movement in the immediate vicinity of the monuments is being pedestrianised and ancient paths revived. Hampi Bazar, too, is being redeveloped.

All in all, by way of an imaginative restorative surgery, the greatness and grandeur of the 'Forgotten Empire' has been brought to surface and a great heritage of India put on the world map.

The other projects of this nature were: Somnath and Modhera in Gujarat; Chattrgarh, Khumbalgarh Ajmer-Sharief and Pushkar in Rajasthan; Bhimbetka, Khajuraho, Gwalior and Shivpuri in Madhya Pradesh; Pandharpur and Sindhu Durg in Maharashtra; Chitradurga in Karnataka; Kanyakumari and Kanchipuram in Tamil Nadu; Nagarjuna Konda in Andhra Pradesh; Rishikesh, Haridwar, Badrinath and Hemkunt in Uttaranchal; Keylong and Kaza in Himachal Pradesh; Varanasi and Agra in Uttar Pradesh; Amritsar in Punjab; Bodhgaya, Nalanda and Vaishali in Bihar; Majuli Islands in Assam; Dakshineswar, Sharda Math and Bishnupur in West Bengal; Udaigiri, Konark and Puri in Orissa; Ranakpur, Tijara, Adi Nath, Mahavirji, and Amer in Rajasthan; Udasin Ashram in Madhya Pradesh; Chandprabha and Kumbhariaji in Gujarat; Bahubali Kshetra in Maharashtra; Pushpanath Digambar Jain Temple in Tamil Nadu; Jain Samaj Vanasthali in Punjab and Jain Temple in Karnataka.

Special *yatras* were also initiated with a view to providing avenue for cultural awakening. These *yatras* included *Gandhi Yatra*

from Porbandar to Rajghat; *Vivekananda Yatra* from Kolkata to Kanyakumari; *Sankara Yatra* from Kaladi to Kashmir; *Pandharpur Yatra* covering Alandi, Dehu, Vakhari, Saswad, etc.; and *Ganga-Himalayan Yatra* from Haridwar, Rishikesh, Dev Prayag, Rudra Prayag, Joshi Math, Govind Ghat (including route to Hemkunt) and Badrinath.

All the projects mentioned now serve multiple objectives. They, inter alia, act as a source of inspiration to our countrymen but also provide to our tourists opportunities for physical refreshment, mental rejuvenation, cultural enrichment and spiritual elevation and for taking a part of India within them on return to their countries. Consequently, the number of domestic tourists has increased by three crores in one year – year 2003. The foreign exchange earnings have increased in one year by Rs. 3,200 crores. All previous records have been broken by a vast margin and India has been categorised amongst the top five Destinations for Individual Travellers by ‘Lonely Planet’ and also amongst the top ten Preferred Destinations for International Travellers by ‘Conde Nast Travellers’. The entire Travel and Tourism Industry has been galvanised and the Tourism environment has been infused with new dynamism and new foresight. It is now looking to the future with great confidence and sense of mission. The latest data shows a still higher upward swing and in terms of foreign exchange earnings, in March 2004, the increase has been phenomenal – 39 per cent over the corresponding month of 2003. Foreign exchange earnings have gone up further by Rs.5500 crores. The Ajanta-Ellora Project has won PATA Grand Award. If the same approach is continued and if machinery for implementation of tourism-related projects remains in the same gear, great future awaits Indian tourism.

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Health for All

—Sushma Swaraj

The period of Shri Atal Bihari Vajpayee has registered several achievements in every sphere, some of which have been described in other articles appearing in this book. But some important decisions taken relating to health, will be remembered forever. I assumed the responsibility of Ministry of Health during the last year of our Government and I acknowledge this at the very outset that the degree of self-satisfaction experienced while working in Ministry of Health was never the same in any another department. We had realised it well that the porous of economic reform would prove fatal for the common man if the role of Government is not enhanced in education and health sector in this period of Globalisation and Privatisation. That is why our Government had issued new health policy as well as new population policy. It was promised in health sector that we would spend 2 per cent amount of GDP on health. Till now 0.9 per cent amount of it is spent in the regard. We had a target for enhancing GDP to 8 per cent as well. Thus, the total amount likely to be spent on health sector was around 16,000 crore rupee. After spending such a big amount on health sector there is no reason as to why anyone is left without medicine or treatment. I am to refer here systematically to some of another important decisions of our Government.

One AIIMS in 50 Years while six AIIMS in one year

When I was entrusted the responsibility of Ministry of Health, I came to know that responsibility of primary health was that of the State Government. The Centre allots funds to the states for running Primary Health Centres but the Centre doesn't have any role in the affairs of those centres. There are lakhs of Primary Health Centre and sub-centres in the country. Those are working well in the well-governed states but the same are lying almost closed in such states where general administration is in bad shape. Tertiary health care i.e. big hospitals for the treatment of big diseases can be tipped on fingers whereas this is responsibility of the Centre. AIIMS, located in Delhi, is one among such hospitals and it is the most important institution, which is sharing the burden of entire country. For this reason

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only we look a revolutionary decision to establish six AIIMS in six states, which are important from medical point of view on the line of AIIMS of Delhi. The tenth Five-Year plan was already announced and six AIIMS was not part of that plan. So everyone was of the view that it was very difficult to execute that plan. But I can say with full satisfaction that with tension of the Prime Minister Shri Atal Bihari Vajpayee, personal interest shown by the Finance Minister, Shri Jaswant Singh and mine own devotion made this work possible which was looking almost impossible. Within one year hundred acres of lands from each of these states were acquired and foundation stones were laid for all the six institutions and a separate head was created in the budget. Amount of Rs. 6 crore was given to a construction agency namely HSCC for erecting boundaries of all the six proposed AIIMS. With the completion of six proposed AIIMS in the states of Bihar, Orissa, Rajasthan, Madhya Pradesh, Chhattisgarh and Uttaranchal a revolutionary change will appear in the tertiary health care sector of this country. The patients from these backward areas will not have to be brought to Delhi; they will be treated for their serious ailment at their door-steps. Meanwhile our Government had decided it also to upgrade one Medical Institution to be selected from each of the six another states of Jammu & Kashmir, Andhra Pradesh, Uttar Pradesh, Jharkhand, West Bengal and Tamil Nadu. This decision will prove milestone in the field of higher medical facilities. AIIMS of Delhi was started in 1956 and for 47 years not any other such hospital came into existence but after 47 years the construction of six new AIIMS simultaneously is an important achievement of Shri Atal Bihari Vajpayee Government which will be remembered forever.

Successful Handling of 'Sars'

Sometime back, some countries of the world came into the grip of the terror of a new disease. Sars disease first appeared in China and there from it spread to many countries of the world. The ill-effect of this disease destabilised the very economy of that country. This disease knocked in India also but it was dealt with very effectively. Not a single death took place due to Sars in India because strict test was conducted at the airports and the laboratories were well-managed. The world was surprised with this aspect and it was a matter of happiness as well. India can tackle challenge like Sars so successfully created a sort of self-confidence among the public.

Vande Matram Yojna

Vande Matram Yojna is a peerless example of the participation of Government and private sector. There are thousands of experts related to maternity disease in our country, but they are not the part of Government machinery. It was appealed to them under Vande Matram Yojna to donate one day every month for the country and treat pregnant women free of cost on 9th of every month in their respective clinics. The doctors registered under this yojna, are called **Vande Matra doctors**. This yojna has been formally started on February 9, 2004. As per the information available till date around one thousand doctors have got registered themselves under this yojna.

The beginning of 'Beti Bachao Abhiyan' (Save girl child campaign) to check female foeticide

Female foeticide is one of our burning problems. Now with the invention of device sex of the child in the womb can be determined and after this knowledge the cases of female foeticide is gaining momentum day by day. Parliament have P.N.D.T. Act to check this crime. But the social evils cannot be removed only through laws. So, our Government initiated 'Beti Bachao Abhiyan' with a view to lurk the conscience of our society. The renowned tennis star Sania Mirza was appointed the brand ambassador of this campaign through which this message was given to the entire country as to whether "Do you feel for the son when you have such daughter." This campaign proved very effective.

Introduction of Bill in Lok Sabha to provide death punishment to the manufacturer of take drugs

The take drugs trade is flourishing. The manufacturing of take drug is a serious crime equivalent to genocide. In view of the seriousness of this offence our Government presented a Bill in the Lok Sabha providing death penalty for committing this crime. Many of the organisations which normally oppose death sentence, had also supported this Bill.

The Bill restricting advertisements of tobacco products passed Parliament

Tobacco is at top among the products injurious to public health. Chewing tobacco is the main reason for causing cancer of mouth, cheek, lips, tongue and neck and so is the smoking for lungs cancer. A Bill for completely banning the advertisement of tobacco products was passed by Parliament with a view to check this evil. Even smoking has been banned on public places under this Bill.

This scheme for giving ARB medicines through Government hospitals under the HIV/AIDS programme sanctioned

HIV/AIDS is one of the fatal diseases of present time. There are many programmes for checking the spread of this disease, but there was not any programme for its treatment at Government level. For the first time it was decided by our Government to arrange medicines at Government level for children below 15 years suffering from AIDS, pregnant women and father of the nascent children after delivery. This scheme is a boon for the poor patients suffering from AIDS.

AIDS-free Bellari, an unique initiative

Our government made a novice experiment in the field of HIV/AIDS. Bellari, a district of Karnataka, is one of such districts, which have been identified as dense area from the point of number of Aids patients. To make Bellari AIDS-free it was selected as a pilot project. The Central Government, NACO and the Karnataka Government made a joint effort in this regard. This is the first attempt ever made in the world to make any district completely AIDS-free. After the success of this experiment the same may be exemplified in the whole country.

The target of bringing Polio to Zero-level in India

Polio is a dreadful disease which made children handicapped. Few years back it was considered as incurable disease. But the then Minister of Health of Delhi, Dr. Harshvardhan by initiating a campaign to make Delhi Polio-free proved this that the entire country may be made Polio-free provided there must be a resolve to do so. Our Government took a resolution and a decision to make the country Polio-free by way of initiating campaign for this. By May 2004, the number of Polio cases came down to 218 in the country and the target to bring it down to the Zero-level by the end of the year was fixed. Making India Polio-free was one of the declared objectives of our Government, which was nearly achieved.

“Sanjeevni” to mobilise emergency medical facilities

There are many kinds of accidents, which often occur in the huge country like India. Besides it, earthquake, cyclone, floods and other natural calamities also occur. In such situation we have to face the problem of mobilising emergency medical facilities. Our Government had decided to set up ‘Sanjeevni’ to deal with such challenges successfully, ‘Sanjeevni’ was to be mobile hospital fully equipped with all the facilities including that of an operation theatre. Test equipments of different kinds were to be provided to it. This could be carried to the accident site by road, rail or plane.

The inaugural of TKDL Library

Ayurveda is an original system of medicine in India. All medicines of this system have been scriptised and their property, quantity and effect all have been shown through the *Shlokas*. A commendable effort to compile this knowledge of in which facts regarding around 36,000 medicines through 60,000 *Shlokas* out of 14 Ayurveda books have been treasured in this library. This library has been made using 5 languages of the world—English, German, French, Spanish and Japanese in such way that no person can use this intellectual property for this on her professional benefit.

There are several such decisions, which can be mentioned in this article, but I am referring to some of prime decisions only that may reflect the direction and the attitude of our Government with regard to health sector.

Vision for the future

The target health for all had been repeated time and again but none of the Government could have achieved this. This declaration is not a modern one in fact. Even in Early age through the chant like '*Sarve Santu Niramayah*' mentioned in our texts a wish has been made for the good health for all. To give a concrete shape to this wish a view was formed at our Government level and we intended to execute this thought after election. With losing the election that dream remained incomplete but we will definitely fulfil that dream if we get a chance in future. Under this view point '*Bharat Mata Seasthya Suraksha Yojna*' would be formulated and the private doctors would be accorded the status of '*Bharat Mata Doctors*' by bringing them under the fold of this scheme. Health cards for the entire population of India would be prepared on the line of Ration-card and the doctors would be prescribed for them on the pattern of Depot holders. Every man would be registered under a Bharat Mata doctor. A definite amount would be paid to these doctors on monthly basis and certain amount would be fixed as per the number of patients.

These doctors would be regarded as conductors also for various campaigns to be organised under Ministry of Health. Till now we are creating health workers by giving training to the less education fellows – but thousands of trained doctors are completely out of our health programme. The public-private partnership i.e. participation of the Government and private sector in health is a novice experiment which will ensure doctor and medicine to the reach of every men. This wouldn't be just a programme, rather this would be movement which will definitely make the chant '*Sarve Santu Niramayah*' i.e. Health for all true to life.



Vision for Double Digit Growth

—Yashwant Sinha

The Indian economy, like other economies, consists of the agricultural sector, the industrial sector and the services sector. When we talk of growth, we talk of growth in all the three sectors. Growth means creation of additional wealth in the economy which then gets reflected in higher per capita income for the people. Today, India ranks fairly low in the world in per capita income. Much of the poverty in India can be ascribed to low growth and low per capita income in the past. Higher growth will enable us to eradicate poverty faster. A double digit growth can dramatically change the face of the country in a decade or two. A double digit growth for India is, therefore, not merely an academic exercise but a crying need.

India has set itself the target to become a developed country by 2020. This ambitious target was set for the country during the NDA regime. When NDA demitted office in May 2004, the annual growth rate of the economy for 2003-04 had already leaped over 8%, in fact registering a growth of 8.5% in that year. The average annual growth rate for the six years that Shri Vajpayee was the Prime Minister of India was 5.93%. It was 5.36% during the five years of the Narasimha Rao Government and 5.80% during the Rajiv Gandhi Government. Thus, it is a better annual average than under any other regime in the past. In 2003-04 all sectors of the economy, manufacturing, services and agriculture registered an impressive performance. Though much ridicule was heaped upon the slogan 'India Shining', there is no doubt that the NDA left behind an India which was shining as never before. A double digit growth rate is, therefore, certainly within our grasp.

Before we come to the policy framework which is needed to achieve double digit growth, it is important for us to delve into history, look at the policies that India followed in the past, learn from the mistakes made, correct them and move forward.

It is one of the ironies of history that while we embraced competition in almost all walks of life after we gained our independence, in the economic field we followed policies which discouraged, nay, actually killed competition. In the political field,

we adopted democracy and rightly so. Political parties were required to compete with each other for peoples' mandate in order to secure the right to govern. Recruitment to the various civil services and the armed forces was through competitive examinations. Professionals qualified for their professions through competition and could progress in their profession only through competition. In fact, competition became the way of life in all areas of activity except the economy. Our economic policies favoured a mixed economy with a strong socialist bias. In fact, in later years the Congress party, which ruled at the centre uninterruptedly for three decades, adopted the socialistic pattern as its creed. In theory, it meant that the commanding heights of the economy would be controlled by the Government through the public sector. In fact, it meant control of all sectors of the economy by the Government. Even in sectors like homoeopathic and ayurvedic medicine, if the private sector was not forthcoming, the Government came forward to set up a Government company. Shortage of bread led to the setting up of a company to manufacture bread. Government in business became all-pervasive. Wherever the private sector was allowed to exist, it could do so only under a strict licence. Allocation of financial and physical resources was strictly controlled by the Government. Every economic activity had to secure the permission of some authority or the other. Thus, the war time regime of rationing and controls, instead of being dismantled after independence was further strengthened and an elaborate system of licence-quota-permit raj came into existence. Everyone flourished under this system. Officials and ministers of the government wielded enormous powers. The public sector was their happy hunting ground. Nepotism soon led to overstaffing in the public sector. Productivity and profitability became dirty words. Losses were worn as a badge of honour. PSUs became the extension of the ministries of the Government, to be

preyed upon by unscrupulous elements in Government. There was a scramble amongst the private entrepreneurs for licences, permits and quotas. Those who secured them made huge profits. Vested interests developed everywhere. Competition became an anathema. Naturally, both production and productivity suffered, scarce capital was inefficiently utilised, growth became a victim and the common man suffered the most because for him everything was scarce, expensive and of poor quality. The economy lurched from one crisis to another. As a nation we were barely able to make both ends meet. The poverty of India became an issue of global concern. We went round with a begging bowl and led, as Deen Dayalji said, a ship-to-mouth existence. In these years, because there was hardly any wealth creation we distributed poverty in the name of equity and social justice.

The continued mismanagement of the Indian economy ultimately led to the worst crisis in independent India's history when we were left with only \$ 1 billion in our foreign exchange reserves in January 1991. This crisis did not come suddenly. It was building up over a period of time, only the rulers of the time, in their ostrich-like attitude refused to see the gathering storm. I can do no better than quote the famous economist and economic administrator Dr. I.G. Patel on the reasons that led to this crisis. "If the present crisis is the greatest we have faced since independence," he wrote in October, 1991 "it is for no underlying economic factor which is more adverse now than what we have had to contend with in the past several decades. It is because successive Governments in the 1980s chose to abdicate their responsibility to the nation for the sake of short-term partisan political gains and indeed out of sheer political cynicism." He describes the Rajiv Gandhi era, which is touted by Congressmen as the era in which the country made the paradigm shift from the Hindu rate of growth of 3.5% annually to almost 6%, in these words. "With the new wave of ushering in the twenty-first century, we had a series of financial excesses-large increases in defence expenditure, unbridled growth of subsidies, a quantum jump in public salaries and indeed a philosophy stated in so many word that money did not matter. It was already clear by 1986 that we were in an internal debt trap which would soon engulf us in an external debt trap. Rather than take any remedial

action, we went merrily along, borrowing more and more at home and on shorter and shorter terms abroad. The climate for official and concessional capital had turned irretrievably adverse for many years. But our response to that was not to strive harder for self-reliance but to increase the amount as well as the proportion of short-term debt in our total external indebtedness.”

“Borrowing short-term is like inviting sudden death with the slightest adverse turn in confidence, these loans will not be renewed and we will be faced immediately with a liquidity crisis. Yet nothing was done to take corrective action or to buy time for such action and create confidence, for example, by going to the IMF. This was obviously politically inconvenient in 1988 and 1989 when winning elections was the only concern. The Government of Mr. V.P. Singh could not be unaware of the writing on the wall. But it preferred to add its own fuel to the fire a la loan waivers and the red-herring of reservations. It was left to the feckless Chandrashekhar Government to start serious negotiations with the fund when it was almost too late.”

The Chandrashekhar Government was not allowed to present the annual budget in February, 1991 and a few weeks later was compelled to resign. But, economic reforms could no longer be avoided. The Narasimha Rao Government, which succeeded the Chandrashekhar Government, carried forward the negotiations with the IMF and finally presented a budget largely influenced by the Fund. Reforms were thus finally undertaken under the influence and dictate of the International Monetary Fund to which we had to go for succor. While the situation did improve as a result of the reforms undertaken under compulsion, they were once again given a go by, the moment that compulsion vanished.

Economic reforms were resumed systematically, strongly and independently on our own only when Shri Vajpayee became the Prime Minister of India in March, 1998.

The Congress Government under Shri P.V. Narasimha Rao, as I have noted already, followed the reform path for about three years. Losses in state elections and mounting opposition within the party forced the Government to more or less abandon reforms after 1994. In fact, in some areas reforms were reversed. Rising inflation forced the Government to adopt a tight money policy, raise interest rates

and curb consumption. This, combined with political instability in India and the East Asian crisis of 1997 impacted adversely on the Indian economy with the result that growth rate of the economy dived to 4.9% in 1997-98 compared with 8.2% in 1996-97. Huge capacity created in many fields of industry remained unutilised. The major and chronic problems of the Indian economy remained unresolved.

Thus, when the Vajpayee Government assumed office in March, 1998 it inherited an economy in steep decline. The East Asian crisis was raging outside and devouring one economy after another in our neighbourhood. Indian industry was in the throes of adjustment as a result of liberalisation and our WTO commitments. Surplus capacity, high interest rates and demand constriction led to mounting losses. As if all this was not bad enough, we had to face the additional challenge of economic sanctions imposed on us by powerful economies like the USA, Japan, Germany etc. as a result of the nuclear tests of May, 1998. All these and many more challenges both internal as well as international were faced resolutely and successfully by the Vajpayee Government during the six years it spent in office. Widespread economic reforms, touching every sector of the economy were undertaken during this period. It was as a result of these steps that not only was the growth rate of the economy maintained at a high level but some of the persistent problems of the Indian economy were also comprehensively and permanently resolved. Indian economy was made fully secure.

The four chronic problems of the Indian economy have been (i) a weak, hand-to-mouth balance of payments position, (ii) perpetual food shortages and import of food grains, (iii) high inflation and high interest rates and, (iv) poor infrastructure. All these four problems were solved for good during the years 1998-2004. When we came to office in March 1998, the foreign exchange reserves stood at a little over \$29 billion. When we demitted in May, 2004 it stood at over \$140 billion. What is even more remarkable is the fact that for the first time after 23 years, the current account of India's BOP recorded a surplus of 0.3% of GDP in 2001-02. The external debt to GDP ratio, signifying the extent of external debt vis-a-vis domestic output, declined from 24.3% in end-March, 1998 to 17.8% at end-March, 2004. The debt service to current receipts

ratio, that signifies the capacity of the country to meet its debt service obligations, improved from 19.5% in 1997-98 to 10.4% in 2003-04.

As far as the second chronic problem, namely food shortages is concerned, it may be noted that even in 1997 the then Government had contracted to buy 3 million tonnes of wheat from Australia to shore up its stocks. One of the first decisions of the Vajpayee Government in 1998 was to cancel this order and stop the import of food grains. During all the six years that we were in office no food grains were imported as none was needed. We followed the policy of market friendly support prices for the farmers' produce based on realistic cost of production, as a result of which we were able to procure much larger quantities from the farmers than in the past. In fact, we had the embarrassment of riches when our stocks touched 60 million tonnes. It was at this point of time that exports of food grains were encouraged and India emerged as the seventh largest exporter of food grains in the world. The transformation from being a net importer to an important exporter is a miracle which was made possible by the farmer friendly policy of the Vajpayee Government. It also encouraged us to adopt such people friendly measures like the Annapoorna Anna Yojna and the Antyodaya Anna Yojna apart from strengthening the existing public distribution system. Large scale food for work programme was also undertaken. Food security was, thus, fully ensured.

It may also be noted that this was achieved despite the monsoon playing truant in most years during these six years. The deviation from normal rainfall during the years 1991-96 have been on an average -0.8. The corresponding deviation during 1998-2003 has been -5. The only year in which there was a good monsoon was 2003-04 when agricultural production recorded a growth of 9.6%.

Inflation, price rise for the common man, was an issue which ceased to exist during these years. Neither Parliament nor the people ever complained of rising prices. It became an issue once again only when the UPA Government came into power.

Remarkable progress was recorded on the infrastructure front. Rural roads and national highways, telecom, ports, housing, railways etc. all made palpably great progress during this period. India became a land of plenty from being a country of shortages. The financial infrastructure, the human infrastructure and the rural

infrastructure saw a paradigm shift. India was truly launched on a long-term and sustainable high growth path.

The momentum in the economy created by the policies of the NDA Government, is chiefly responsible for the growth that we see in the economy today. The UPA Government has not made much of a contribution by way of further reforms. On the other hand, many of its cheap and populist policies and those of the State Governments controlled by the Congress party are extremely detrimental for the economy. All this does not auger well for the future.

A sustained and sustainable double digit growth for the next 10 to 15 years can be achieved only through continued economic reforms. We cannot afford to rest on our oars. New situations will demand new set of policies, new reforms. Getting rid of our chronic problems is a major achievement of the Vajpayee Government. We must ensure that they do not return. We must also ensure distributive justice but an intellectual shift is necessary here. Instead of distributing poverty as we have done in the past, let us plan to distribute wealth in future. This is not an easy shift. There are many who believe that equity lies in the country remaining poor. We shall have to get rid of the mindset that creating wealth is sinful.

Secondly, double digit growth will call for matching investment. There cannot be growth without investment. Investment can come mainly out of domestic savings. Fortunately, domestic savings have shown a very healthy growth during the NDA regime rising from 21.5% in 1998-99 to 28.1% in 2003-04. But, what is worrisome is the dis-saving of the Government sector. Our policy, therefore, should be to continue to encourage household savings and private sector savings and eliminate the dis-saving of the Government sector. This can be done by keeping fiscal deficit under control and making the public sector profitable.

We shall also need foreign investment to meet the balance of our requirements. It must be noted here that India has received, over the years, only a fraction of the foreign investment that other major developing countries have received. There is much needless opposition to foreign investment in India. Most of it is uninformed. Foreign investment has generally contributed less than 1% of our GDP annually to our overall investment. So, certainly there is a scope for more. Foreign Direct Investment must remain the preferred

form of foreign investment. But, we should not turn away other forms of foreign investment. We should also encourage Indian companies to raise both equity and loans abroad, specially if they are cheaper.

Efficient utilisation of capital is a sine qua non for building an efficient economy. We must ensure a good capital output ratio. History has proved that the state is a poor and inefficient allocator of resources and an inept owner of the means of production. The role of state, therefore, should be limited to ensure fair play amongst private and public players in the market. While socialism clearly stands discredited as a system for the management of economy, capitalism also has not covered itself with glory. Thus, while the capitalist theory of free play of market forces is a better system for more production and higher growth the trickle down theory of distributive justice is inadequate to meet the rising aspirations of people, specially in a democratic society. The state, therefore, must play its role here and provide the basic amenities to the people like roads, electricity, water, education and health. It must also ensure, through regulators, that the market functions fairly for everyone, monopolies are not able to establish themselves, that prices, quality and availability of products is to the satisfaction of the people and market manipulation and aberrations are dealt with firmly and swiftly.

The state must fight and eliminate poverty. By 2020, India must get rid of the scourge of poverty. Poverty can be of various types. The first is, individual poverty. If an individual is unemployed and, therefore, unable to earn he will remain poor, unless he was born rich. Then there is poverty at the family level. If one member of the family alone is earning and other adult members who should earn are not earning, then there will still be poverty at the family level. The third type of poverty is the poverty of the community in which one lives. An individual or a family may be having adequate income and a reasonable standard of living but if there is no electricity, water, road, educational and health facilities available in the community and the people are generally poor then the individual or the family and naturally the whole community

will still have a sense of suffering from poverty. And finally, there is poverty at the national level. As long as a sizeable section of our people are compelled to live below the poverty line, India will continue to be a poor country, irrespective of the prosperity of an individual, a family, a community, or even a region. All these forms of poverty will have to be tackled and eliminated. This can be achieved only through double digit growth.

Poverty can be tackled by generating employment. Our economic policies must, therefore, be employment generating. The state has a role to play in generating productive employment. But, there is a need for the greatest caution here since the dividing line between productive employment and wasteful employment is very thin. There is also the added danger of mismanagement and corruption in Government run schemes. In my view, maximum employment can be generated through the creation of physical and human infrastructure. The road building programme of the NDA Government is an example. In rural areas, we need roads, irrigation, housing, electricity, drinking water, education, health and other kinds of services. All these have the potential to generate large-scale employment. Similarly, in the urban areas, all these and more can generate enough employment. In the economy as a whole, the manufacturing sector and some of the service sectors have great employment potential. Their growth must be encouraged. In other words, through well-conceived policies we must be able to eliminate unemployment by 2020, and by providing the infrastructure and services, poverty in all its forms. There is an umbilical link between employment generation and poverty eradication on the one hand and infrastructure creation, economic growth and a better quality of life for the people on the other hand. Once we establish this virtuous cycle, we shall win the war against poverty.

Inflation-price rise for the common man-must be tackled with all the instruments in Government's control. Price rise, as all economists agree, is the worst form of taxation against the poor, since it does not discriminate between them and the rich. It also increases the burden on the Government since

Governments in India, centre and state, are big borrowers. Inflation also induces higher interest rates, which makes the economy uncompetitive globally. In fact, the biggest bane of the Indian economy ever since independence has been a vicious cycle of high inflation and high interest rates. The high cost of money was one of the chief causes of the uncompetitiveness of the Indian economy. This vicious cycle was successfully broken and replaced by the virtuous cycle of low inflation and soft interest rates by the NDA Government. The increase in essential consumption by the common man and the housing revolution which was unleashed during that period can be directly ascribed to the easier availability of cheaper finance by the banks and other lending institutions. Higher inflation is already creating pressure on interest rates. If this is allowed to take place, it will cause great harm to the economy.

No progress is possible in any sector unless we have power. This sector is with the State Governments. They must move more purposefully to clean up this sector, make it more efficient, cut losses and generate resources for further investment. All sources of energy must be simultaneously developed.

The other area to which the greatest attention must be paid is the area of water resources. Effort must be made to save every drop of water by all means possible. No amount of money is too much to spend on this sector. We must reach water to every parched throat and every dry field.

Governments must be lean and efficient. Many of the activities of the government have already become redundant as a result of liberalisation and shrinking of government's functions. Governments, therefore, must shed flab. They must also set examples in austerity. All this can be achieved through focused administrative reforms. This must be an important part of the agenda for double digit growth. Governments will still need to collect taxes. A lot of tax reform has already taken place. This must be carried forward. Our customs tariffs specially, need to be aligned to world levels. Tax administration must also be made as people friendly as possible.

It is only through a lean and efficient Government, higher growth, soft interest rates, proper user charges, moderate taxation,

properly targeted subsidies and higher return on Government investments that India can achieve a better and sustainable fiscal balance. In this connection, the Fiscal Responsibility and Budget Management Act passed by Parliament during the NDA regime assumes great significance.

The external sector of the Indian economy was managed during the NDA regime most efficiently. In fact, it became a model for others. It must continue to be so managed. Comfortable foreign exchange reserves have given India a lot of elbow room globally including in foreign policy. We have emerged from being borrowers from the IMF to being lenders to it. India has also emerged as a large giver of aid to other developing countries while signing off on aid with many developed countries. For all practical purposes, India is already a member of the G7. The rupee is already largely convertible even on the capital account. A time has come when India should take the plunge and make the rupee fully convertible.

India has managed globalisation better than most developing countries. Globalisation is a fact of modern life. The question is not whether India should globalise or not. The question is how we should face its inevitability. Globalisation can be both good and bad. It should be our effort to filter the bad and embrace the good. In the last decade itself, the benefits of globalisation have become evident in the information technology, manufacturing and services sectors. Cities like Bangalore and companies like Ranbaxy, Dr. Reddy's etc. have gone global. Outsourcing is already creating outcry abroad specially in the USA. Indian professionals are all over the world, managing multinational companies. Indian companies are becoming multinationals themselves. More and more Indians are travelling abroad, investing abroad. Bollywood is conquering the world.

Globalisation should in no case be exploitative. We should not allow ourselves to be exploited by outsiders, nor should we exploit the others outside. No country is better suited to carry this message of benign and fruitful global cooperation than India. Our interaction with the rest of the world throughout history has been non-exploitative. It has been based more on soft power than on military might. By assimilating foreigners who

came to India with ourselves we have demonstrated the same spirit. The world should be brought to believe in Vasudhaiva Kutumbkum just as we believe in it.

Much of the recent Indian success, both at home and abroad, can be directly ascribed to the development of India's human resource. We are a young nation today. This is going to be the great advantage of India for the next four decades or so globally. But, only a small fraction of our people have access to institutions of excellence today, but even this small fraction has brought more glory to India in recent years than all the Governments put together since independence. India is well-known today not merely as a supplier of cheap and skilled manpower, it is more famous for its prowess in science and technology including cutting edge technologies. In the knowledge-based economy of the future, India must be a major player. This will be an important contributor to double digit growth. So, we must ensure that more and more of our people have access to more and more institutions of excellence in the coming years. The Sarva Shiksha Abhiyan, started by the NDA Government will lay a stronger foundation for it but we must set up more IITs, AIIMs, and other technical and professional institutes.

At the same time we must also look after the health of our human resource. Quality medical facilities must be made available in the remotest areas. While private sector will, no doubt, play an important role in both education and health, the primary responsibility must lie with the Government.

Double digit growth will be difficult to achieve if there is no peace within the country. Threats to peace and law and order, therefore, will have to be tackled by the government with strength and determination. Cross-border terrorism, insurgency, criminal activity, economic crime and social unrest must be effectively controlled so that economic activity flourishes. Similarly, our neighbours will have to be given the stem message that they cannot mess round with us.

Generally, people and investors in particular, must have the assurance of the durability of our policies. Surprises, specially unpleasant surprises, must be avoided. The direction of

economic policy must be clearly laid-out. The unfinished agenda of reforms must be carried forward on the basis of consensus. Issues like privatisation of PSUs, labour market reform, role of foreign investment, globalisation, role of Governments, quality of expenditure, subsidies and user charges etc. are issues on which there is no national consensus today. In fact, the fragile consensus that seems to have existed so far is also fast disappearing. The constituency for economic reforms is shrinking. This issue, therefore, needs to be debated afresh.

Economic reforms do not merely relate to the stock markets or to privatisation of PSUs. Economic reforms, as understood by us during the Vajpayee era, have to be comprehensive and people friendly. No economic reform in India can be worthwhile unless it includes the reform of agriculture and the rural economy. Unfortunately, in our country the debate on economic reforms has been confined to a few issues only. This has created enormous misunderstanding about the concept, nature and impact of economic reforms. The Left parties, for their own vested interest, are opposed to reforms. Their mindset is like the mindset of passengers who have got into a train compartment, occupied the seats and do not want others to enter the compartment. Their concern is limited to their own constituency, the rest could fend for themselves. I had recently asked a question of the Minister of Labour and Employment about the total number of people in the last five years who had become unemployed as a result of closure of factories. The Minister's reply is revealing. The figure for the year 2000 is 11,904, for 2001—11,599, for 2002—10,025, for 2003—8,673 and for 2004—9,759. It is not in millions as claimed by the demagogues.

Some pain in any adjustment is inevitable. This pain is directly felt by the people when it relates to any increase in user charges or any reduction in subsidies. Over a period of time, our people have got used to these free lunches. Nobody is bothered about where the money will come from. Obviously, the state is supposed to bear the burden. The capacity of the state to bear this burden has long vanished. Governments have borrowed more and more to keep the old system moving. In

the process, they have done great damage to the economy. Electricity is a case in point. Free electricity to farmers has often meant no electricity to farmers. The same is true of other services as well.

The gain to the people is ephemeral. They gain with one hand and lose with the other. Large borrowings by the Governments mean higher prices, among other things. The laws of economics are as ruthless as the laws of nature. The consequences are unavoidable. The choice is clear—we produce wealth and distribute it among the people by using our resources wisely or we waste them on doles and perpetuate poverty. Winning elections is important, but not more important than the future of our country and the well-being of generations still unborn.

It is now being increasingly realised that democracy, far from being a drag, has actually been our strength. It is going to be increasingly so in future. Our democracy must, therefore, be fully protected and preserved. The cancer of the four Cs namely, Criminalisation, Corruption, Casteism and Communalism must be tackled resolutely and effectively by the political class in order to ensure that the state does not stand in the way of legitimate economic activity and double digit growth.

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Balanced Development

—Vijay Kapur

In its perspective of development Bharatiya Janata Party assigns equal importance to growth and to balance and equity—inter-regional, inter-sectoral and inter-personal. That is why NDA's vision document, issued prior to the general election of May 2004, states "faster growth with employment, equity, social justice, reduction in regional imbalances and the urban-rural divide" as its 'guiding principle'.

It is argued by some development economists that balance and equity are desirable end conditions, always to be strived for. But, making balance and equity as essential features of the process of development may be unrealistic and, even, counter-productive. It is said that economic progress, measured by per capita income, is initially accompanied by rising inequality, but that the disparities ultimately go away as the benefits of development permeate more widely. It is argued, therefore, that the primary objective should be rapid development and that for achieving it even the stimuli provided by transient imbalances and inequality may be availed of. This thesis is unequivocally rejected by Pandit Deen Dayal Upadhyay and other ideologues of the Jan Sangh and the BJP, for whom humanistic development and social harmony (samajik samarasta) had been articles of faith. The party believes that inequality and imbalance have a built-in tendency to perpetuate themselves. Inequality does not permit people at the lower end of the wealth or income scale to fully realise their potential and to exploit their capabilities. In fact, inequalities accompanied by conspicuous consumption have a crushing effect on savings and capital formation. Grow first and distribute later is a recipe for disaster not only in the context of economic development but also in relation to the evolution of nationhood in which every citizen has a sense of full participation and esteem.

BJP strongly believes in harmonious development of various regions of the country and various sectors of the economy in a manner that they are bound in a relationship of mutual reinforcement and none of them have to suffer exploitation by others. In particular, the party rejects the short-term and static view of agriculture as

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a sector to be squeezed for surplus, to sustain urban-industrial development (as was practised in the Soviet Union and as is, to an extent, implicit in the Nehru-Mahalanobis model of development). In stead, it takes a dynamic and long term view of agriculture as a sector to, be invested in and encouraged so that the rural masses dependent on it benefit and provide food surplus as well as demand push for urban-industrial growth.

Agriculture-industry terms of Trade

At the meeting of its National Executive at Ranchi in November 2004, the party passed an extensive resolution in which it set out the numerous and wide ranging initiatives taken by the NDA Government to revive dynamism in agriculture and to ensure that it is given technical, financial and other wherewithal necessary to substantially raise output and to ensure attractive returns to the vast rural masses engaged in it. The party's package of measures, that need to be vigorously followed up by the Central and the State Governments, is described elsewhere in this volume. Here it is necessary to mention that in a forthright manner it was stated that in stead of just minimum support prices, based on the cost of raising agricultural crops but circumscribed by the prices that the urban poor can be called upon to pay, the agriculture-industry terms of trade should be holistically looked at. Tilting the terms of trade decisively in favour of agriculture will not only benefit the farmers and the landless labour but will also promote growth of industry whose supply side problems today are far exceeded by demand side constraints. Benefits will also accrue in terms of reduction in rural-urban migration and upward movement of wages in the organised sector.

It is pertinent to mention here that, as is stated in the mid-term Appraisal of the 10th Plan prepared by the Planning

Commission, there has been a slow down in growth of both crops and livestock since the mid 1990s. Growth in the use of inputs has also decelerated and that has been accompanied by a reduction in output prices relative to input prices. It is also observed in the Appraisal that agricultural prices have declined relative to the prices of non-food consumer goods. It is pointed out that deceleration in output growth coinciding with the decline in the relative prices of agricultural produce suggests that there is a serious demand problem. According to the National Accounts Statistics, the rural per capita food consumption has been declining despite the fall in relative food prices. The set back to agriculture is, thus, both on the supply and on the demand side. The remedy to the problem on the demand side, obviously, lies in a shift of the agriculture-industry terms of trade in favour of the former as also in taking a wide range of initiatives to promote employment in rural and urban areas. That approach is at the center of BJP's ideology of economic development.

Rural development

The apathy of the UPA Government in the first year of its rule towards the acute distress prevailing in rural India is described in the following words by Utsa Patnaik, Professor of Economics at the Centre for Economic Studies and Planning, Jawaharlal Nehru University: ".....in first year of UPA rule, rural development expenditures taking (the five) heads (agriculture, rural development, irrigation and flood control, special areas programmes and village and small scale industry) have been slashed to an all-time low of 0.6 per cent of NNP (net national product). The absolute outlay (budgetary estimate) was a paltry Rs. 13.5 thousand crore as anyone may check from the latest Economic Survey, and this sum is actually the same, even without any adjustment for price rise, as that spent under Rajiv Gandhi 15 years ago in 1989-90. This brutal contraction in spending last year has added to the present continuing crisis of jobs and has increased hunger. Very seldom has a newly elected government administered such a slap in the face to its own constituents. Facing drought, under the same heads the NDA had spent Rs. 42,000 crore in 2002-03 fiscal and increased it to Rs. 51,000 crore in 2003-04, the latter sum still amounting to

less than 2.5 per cent of NNP. Who could have imagined that the new government formed as a result of the peoples' agony would slash rural budgeted development expenditures to less than a third of the already inadequate spending by the NDA."

In the six years in office at the Centre, the BJP led NDA Government has established a framework for rural development and for alleviation of rural poverty which, broadly, consists of the following:

1. The Swarnjayanti Gram Swarojgar Yojana (SGSY), which is an integrated programme for self-employment of the rural poor launched in April 1999 following the restructure of the erstwhile Integrated Rural Development Programme and allied schemes. The objective of SGSY is to bring the poor families above the poverty line by organising them into Self Help Groups (SHGs), training them and helping them in capacity building and provision of income generating assets through bank credit and Government subsidies. There is emphasis on the provision of marketing linkages and technical support. There is a large reservation in the programme for Scheduled Castes (SCs) and Scheduled Tribes (STs) and women. The success of the scheme is brought out by an independent evaluation arranged by the Government. In the year 2002-03, over 92 per cent of the benefited families belonged to the below poverty line (BPL) category. Women constituted over 63 per cent as Swarogaris and over 47 per cent were from SCs and STs category. The average annual incremental income earned by individuals was Rs. 8,800 and by groups Rs.34,930. It is remarkable that recovery of the loans from SHGs is as high as 89 per cent. A total of 17.41 lakh SHGs have been formed under the SGSY in the five years since its inception, which number is considerably higher than that of the SHGs promoted under the pre-existing NABARD scheme.
2. Sampoonn Grameen Rozgar Yojana (SGRY) is a wage employment scheme launched in September 2001, the primary objective of which is to provide additional wage employment in rural areas and thereby promote food security. The secondary objective is the creation

of durable community, social and economic assets and infrastructural development. It is a centrally sponsored scheme on cost sharing basis whereby the cost of food grains is borne by the Centre and the cash component is shared by the Centre and the states in the ratio of 75:25. The independent evaluation of the scheme undertaken in 2003-04 shows that over 77 per cent of the work taken up was completed during the year itself. Over 30 days of wage employment was generated on the average. The additional employment generated in 2003-04 was over 87 crore man-days. The major strength of the programme is its self-targeting. Most of the beneficiaries belong to the BPL group, who do not have any other opportunities for employment. In addition, the programme has succeeded in creating community assets.

The purposive implementation of this important scheme by the NDA Government stands in stark contrast with the indecisive conduct of the UPA Government. It has been long on rhetoric for the poor but short on concrete action to provide additional wage employment in the rural areas. For enacting the National Rural Employment Guarantee Act it has needlessly indulged in polemics and prevarication. The question the determination of which is said to have delayed the enactment is whether the employment guarantee should be only for people below the poverty line or whether it should be made available universally. Professor Amartya Sen has quite rightly pointed out that the issue is not of much consequence. He has observed: "One (issue) is whether, in addition to giving employment to those who are seeking it, you ought to check what their level of income is. In a sense this goes against the employment guarantee logic which is to say that, since the wages are not terribly high, only those who need employment will seek it. You don't need a further guarantee to make sure they are also poor. So for not just the equity of the arrangement but also the efficiency, it should be possible to do it in terms of self-selection, as often happens in famine relief - you offer employment

to anyone who will come and work – If you're willing to do a hard day's work to get that wage, you must need it. Otherwise, you wouldn't be doing it. Now that is the logic of the employment guarantee approach. To add the income clause seems to raise issues about the basic rationale of the approach." The urgency of the scheme should not be compromised by raising issues that are of little consequence, other than generating polemics of political value. The UPA Government should rather be concerned with formulating the operational details of the scheme in a manner that it is implemented efficiently, transparently and without corruption. It is lack of attention to implementational details that augur ill for the success of the scheme.

3. The NDA Government greatly enhanced the allocation of funds to the Indira Awas Yojana (IAY) and also raised the ceiling on construction assistance, which is now as Rs. 25,000 per unit for the plane areas and as Rs. 27,500 for the hilly/difficult areas. It is estimated that about 23 lakh houses are built every year for weaker sections in the rural areas of which IAY accounts for 15 lakh and the remaining 8 lakh houses are assisted by HUDCO and other organisations.
4. With a view to providing connectivity, so necessary for development and exploitation of economic opportunities, the one hundred per cent centrally funded Pradhan Mantri Gram Sadak Yojana was launched in December 2000. Its objective was to provide connectivity by all weather roads to about 1.70 lakh unconnected rural habitations with population of 500 or more by 2007. Upto 2003-04 fiscal a budgetary provision of Rs. 9,825 crore was made for the scheme and an amount of Rs. 9,682 crore was actually released to the states. During 2000-01 to 2002-03, 19,637 road works were completed. With administrative support, technical assistance (training, specifications and quality control) and introduction of innovative materials (waste plastic blended bitumen, fly-ash as soil stabiliser, etc.) it was ensured that the roads constructed under the Yojana were of good standard and durability. The economic benefits and

employment accruing from the scheme has won recognition from the rural people and international funding agencies.

It is unfortunate that the scheme has been de-emphasised by the UPA Government. The allocation of funds to it has slackened and there have been delays in their release to State Governments, particularly those run by opposition parties.

5. The NDA Government took effective action to energise Panchayat Raj Institutions at all the three levels, for which elections have been held in most of the states. State Finance Commissions were established in most of the states and have also submitted their recommendations concerning devolution of funds to the Panchayat bodies. In establishing details of the various schemes of rural development, it was ensured that the involvement of the Panchayat bodies was maximised. For example, the SGSY is implemented as an integrated scheme by all the three tiers of the Panchayati Raj Institutions and the funds are shared by the district, intermediate and village panchayats in the ratio of 20:30:50.

Urban Poverty

As regards the alleviation of urban poverty, the framework established by the NDA Government consists of Swarnjayanti Shahari Rojgar Yojana (SJSRY), Valmiki Ambedkar Awas Yojana (VAMBAY), the Antyodaya Ann Yojana (AAY) and the involvement of urban local bodies as implementing agencies. Under SJSRY, in the first three years of the 10th Plan over 3,27,000 persons have been trained. The VAMBAY was introduced in 2001-02 to provide shelters and for upgrading the existing shelters of the BPL population living in urban slums.

The policy framework to alleviate rural and urban poverty needs to be further built upon, by learning lessons from the experience in recent years and by removing procedural bottlenecks and weaknesses-of administration. Increasing purposiveness of the schemes and improving the definition of the target groups will have to be constant endeavours of the Centre and the State Governments.

Urban housing and Infrastructure

The last few years have witnessed an unprecedented upsurge in urban housing, as a result of which availability of housing stock has increased rapidly, the velocity of trade in real estate has increased, a lot of employment has been generated and increased demand of building materials has given boost to steel, cement and other relevant industries. The genesis of this upsurge is in a variety of measures taken by the NDA Government. By reducing interest rates to unprecedentedly low levels and easing the banking procedures people have now been given easy access to housing loans at reasonable rates of interest and convenient repayment terms. Availability of urban land for housing has been enhanced by the repeal in January 1999 of the Urban Land (Ceiling & Regulation) Act, 1976, by permitting entry of private developers and by greatly increased supply of serviced land by urban development authorities. Sale and purchase of property has been rendered easier by persuading the states to reduce stamp duty to tend towards the proposed figure of 5 per cent. That, along with concession in capital gains tax provided the gains are invested for the acquisition of a house, has reduced the motivation of using black money in real estate trading.

The new dynamism in urban housing, which has been witnessed in recent years, is a development of great significance. It is essential that this development be carried forward in a way that it may be sustained over a long period of time and the interests of the lower income people are safeguarded both against the vagaries of the market as well as malpractices of the property developers and the land mafia. The NDA Government had taken the decision to have legislation enacted in all States for proper regulation of real estate developers. For that purpose model legislation was to be prepared and a bill for Delhi had to be drafted. It is unfortunate that this initiative of considerable significance has not since been followed up.

It has to be recognised that the urban development authorities and state housing boards will have to substantially shoulder the responsibility for the provision of affordable housing to lower income people. Emphasis on this responsibility of the state agencies was laid during the tenure of the NDA Government. For Delhi, for

instance, during those 6 years the Delhi Development Authority released for allotment more flats than ever before. Construction of a greatly enhanced number of flats was initiated. New technologies for construction were adopted so that the quality of the flats was commensurate with the rising expectations of the people and modes of modern living.

BJP strongly believes that for self-sustaining development and upgradation of urban and rural habitations, it is important that the rights over land are properly defined and determined and appropriate documents in that behalf are given to the property holders. The rights must be mortgagable so that the property holders may obtain institutional finance for construction and upgradation of their properties. That is why in September 2004 meeting of Chief Ministers of the BJP ruled states, it was decided that preparation of maps and record of rights of cities and rural *abadi* areas should be undertaken. That task, indeed, is very complex. Mapping of built towns is extremely difficult, but is now being made increasingly possible by remote sensing and ground positioning devices. Even more difficult is the determination of rights over urban properties, as it may entail adjudication of competing claims. Notwithstanding the complexities of these tasks, they cannot be postponed any further. So, at the September 2004 meeting it was decided that some pilot projects be taken up and, indeed, action on those lines has been taken in states such as Gujarat, Madhya Pradesh and Rajasthan.

The importance of this initiative may be appreciated by reference to the conditions prevailing in Delhi. Almost three decades ago, a large number of slum dwellers were removed from the central part of the city and were allotted small plots of land in what are termed as 'resettlement colonies'. No documents concerning their tenurial rights were, however, given. In the absence of clarity about their rights the people could not undertake orderly construction of their houses; nor could they invoke institutional finance for the purpose. Over the years, the situation has been getting more complex because many of the plots have been sold and resold, obviously without any documentation. The conditions in the resettlement colonies are appalling and a serious effort for their improvement can begin only with the provision of proper tenurial documents to the current plot holders. That should be

done without any additional payment and with the minimum of procedural hassles.

Similar is the situation in the so called unauthorised colonies. These colonies were established on agricultural land by private colonizers in contravention of the zoning regulations. There again the housing development is of a poor quality and property trading is outside the ambit of law and accounted money. The NDA Government has shown extreme compassion in dealing with these colonies and has announced that all colonies built before March 2002 would be regularized on rather easy terms. The decision still remains to be taken to its logical conclusion because of the pendency of the matter in courts of law and because of the needless nit picking by the UPA Government for political reasons. The NDA Government also showed compassion by promising to regularize as industrial areas those unauthorised colonies in which 70 percent of the land had already come under industrial use. That decision also remains to be finally implemented.

All these measures of bringing the irregular areas into the main stream of urban development are most desirable and should be implemented in as apolitical a manner possible. However, a quantum change in the conditions of the irregular areas will occur only when the property rights in those areas are properly determined and are documented. The way shown at the meeting of the Chief Ministers of BJP ruled states needs to be followed.

The NDA Government has been extremely sensitive to the need of upgrading infrastructure in cities, large and small. For the centrally sponsored scheme for infrastructure development in mega cities, which applies to Mumbai, Kolkata, Chennai, Bangalore and Hyderabad, an amount of Rs. 1,050 crore has been provided in the Tenth Plan as compared to the actual allocation of only Rs. 424 crore during the 9th Plan. Similarly, assistance has been enhanced under the scheme of integrated development of small and medium towns. Urban local bodies and development authorities have been encouraged to derive financial support from HUDCO and other institutional sources.

In January 2002, the NDA Government permitted foreign direct investment (FDI) upto 100 percent for development of integrated townships, including housing, commercial premises, hotels, resorts

and city and regional level urban infrastructure. So far approval has been given for setting up integrated townships at Gurgaon and Hyderabad. This move, it is hoped, will result in the development of some world class townships.

Rural Urban Interface

The BJP-led NDA Government has broken new ground in understanding the interface between rural and urban areas and in initiating policies for ensuring their harmonious development and to encourage virtually seamless rural-urban transformation. The rural areas, whose income earning activity is primarily agriculture, have a vast surplus of labour. The marginal productivity of such labour is virtually zero, which means that vast amounts of it can be off-loaded, without affecting production in the agricultural sector. As we proceed on the path of economic development, such surplus labour shifts out of rural areas and proceeds to cities and towns in search of employment, preferably in the organised sector and, as a second best, in the unorganised urban sectors. Their migration is a phenomenon of major significance, which has economic and social ramifications of great importance. The effect of such migration on the shape of our cities is too well-known to be explained here. Instead, it will be more fruitful to provide an idea of NDA's thinking on tackling the problems raised by rural-urban migration.

The most important concern is to encourage development in the rural areas, not only in agriculture but also in non-agricultural enterprises and vocations. Thereby avenues can be created within rural areas for gainful absorption of the labour which is surplus in agriculture. The NDA Government mooted the proposals for Sampoon Gramin Vikas and Provision of Urban Facilities in Rural Areas (PURA). It is unfortunate that these proposals, of late, have been de-emphasised. The Bharat Nirman Programme announced by the UPA Government is still amorphous and lacks the specificity of a serious programme.

At the Conference of the Chief Ministers of BJP ruled states held in September 2004, great emphasis was laid on improving infrastructure in rural areas so that economic activities may sprout across a wide spectrum. In particular, it was decided that the restrictions existing in the various laws on use of agricultural land

for non-agricultural activities should be removed. Many of the BJP ruled states have since proceeded to do so, taking full care that interests of tribal communities continue to be protected.

The NDA's approach to tackle the problems faced by our cities and towns, reeling under the burden of migration from rural areas is best documented in the guidelines given in July 2003 to the Delhi Development Authority for the preparation of the new Master Plan for Delhi. The guidelines focused on a new land policy, flexibility of land use, re-development of old and degraded areas and urban slums, housing for the urban poor, public and private partnership in the development of new colonies and using intensive development along major transportation routes so as to exploit the symbiosis between transportation and human settlement.

The urban land policy practised in most cities of India has so far been of large scale acquisition, development and disposal of land by Government agencies. The NDA Government realised that, quite contrary to the intention of that policy, it had resulted in the proliferation of unauthorised colonies and *jhuggi-jhonpri* clusters. Since, under the policy, the farmers can only get the price of compulsory acquisition they receive less than the opportunity price of their land and altogether miss out the value addition that occurs when the use of land is upgraded from agriculture to urban. To escape such deprivation they resist requisition by indulging in dilatory litigation, or sell their land for unauthorised colonisation through the intermediation of colonizers and land mafia. In any case the farmers feel cheated and adopt an adversarial posture on urban expansion. There is always a substantial time gap between acquisition, development and disposal of land, during which period it remains an invitation to encroachment, particularly by the poor migrants coming from rural areas in search of urban employment. Aided by inadequate protection of the acquired land and weak enforcement of building regulations, a large number of unauthorised colonies and *jhuggi-jhonpri* clusters have come up and characterize a substantial part of our cities today. The NDA Government, therefore, emphasised that it is necessary to seek a suitable alternative to the past policy of large scale acquisition and disposal of land for urban extension. The alternative approach (generally termed as 'land pooling') would obviate the acquisition of land by the official agencies ahead of its development and would

also provide the farmers a fair share in the developed urban land. The approach would also give the private sector its due role in urban development and housing.

It is a matter of regret that the guideline on an alternative land policy has been completely abandoned in the draft of the new Master Plan for Delhi, which has been published under the UPA Government. An opportunity is being missed for securing proper development of the city, reasonable remuneration to the farmers and a harmonious development of the urban periphery.

The NDA Government observed that in our kind of social and economic milieu urban and housing development, in the first shot, tends to be of an unsatisfactory standard. It, therefore, emphasized the need to encourage redevelopment. For that, barriers to redevelopment (such as the restrictive provisions of the slum laws, lack of recognition of irregular colonies, land use rigidities, unworkable building bye laws, etc.) must be removed. Also, positive incentives should be provided in the form of financial credit, one time relaxation of floor area ratio, etc.

The NDA Government's guideline on dealing with *jhuggi-jhonpuri* clusters is also compassionate and realistic. It envisages a judicious mix of in-situ re-development and relocation. In the latter option due attention must be given to the location of employment opportunities of the *jhuggi* dwellers.

Most of the other guidelines provided by the NDA Government have been included in the draft Master Plan for Delhi but they still lack the details necessary for their orderly and transparent implementation.

Mass Transportation: Delhi Metro

In urban development, the most important contribution of NDA Government is in the area of mass rapid transportation. It recognised that in our mega cities the commuter densities in the important arteries are so high that they can be handled only by rail-based systems. Also, the metro systems are beneficial both to dwellers of the inner part of the city as well as to those living on the periphery or in the suburbs; the latter are enabled to bear the rent of the suburb end still aspire for the wages of the city core. The Government, therefore, decided to fully support the establishment

of metros. The case in point is Delhi Metro. The proposal for Delhi Metro was mooted as early as mid 1950s, when a feasibility study was undertaken. Since a decision for implementing the project could not be taken, another feasibility study was ordered and that sequence continued for decades. When the NDA Government assumed office, a broad decision had been taken to build Delhi Metro and the framework of the Delhi Metro Rail Corporation (DMRC) (with equal equity participation by the Centre and Delhi Government) had been established. However, the funding had to be tied up and the necessary operational decisions for implementing the project had to be taken. That is what the NDA Government accomplished with exemplary speed and clarity. A Group of Ministers established under the chairmanship of Shri L.K. Advani took the requisite decisions and resolved knotty issues, such as that of the appropriate gauge for Delhi Metro. Full technical, financial and administrative autonomy was provided to DMRC. It was assisted in the complex tasks of acquisition of land and properties and of settling the persons so displaced. It is a matter of national pride that the first phase of 67 kilometres of Metro Rail, which was originally scheduled to be completed in 10 years, is being built in just 7 years. In technical excellence it is a model project in India.

In the year 2002, DMRC management came to the conclusion that one of the arms of the Metro, namely Connaught Place to Nangloi, would not be commercially remunerative and felt that it should be replaced by the Barakhamba Road-Janakpuri-Dwarka line. That, however, would entail an additional expenditure of Rs. 1,800 crore. Seeking that additional amount by way of loan assistance would have raised cost of the project and, therefore, tariff for the commuters. Hence, a proposal was made that the Central Government exempt the entire Metro project from customs and excise duties (aggregating to Rs. 1,400 crore) and the Delhi Government provide exemption from sales tax (Rs. 400 crore). The proposal for the exemption from customs and excise duties was unprecedented and was, naturally, stoutly opposed by the Ministry of Finance. It is a tribute to the purposiveness and the determination of the Group of Ministers that, over ruling the objection from Finance, the exemption was granted. The line Barakhamba Road-Janakpuri-Dwarka is now under construction

and is set to be commissioned early in 2006.

Similarly, the decision on the adoption of broad gauge, as against the standard gauge recommended by DMRC, was taken after extensive technical consultations. The decision reflects the vision of the Government that at some point seamless travel would be possible between the city Metro and the inter-city railways.

The NDA Government was quite clear about the role of mass rapid transportation in all large cities. It encouraged the State Governments to evolve schemes for MRTS in their major cities and also provided in that behalf the technical assistance of DMRC. Some schemes have since been evolved for cities like Hyderabad and Bangalore. They cannot, however, become a reality unless the new Government shows the same determination and capacity to take decisions as the NDA Government had.

Regional Imbalance

In a country of great geographical, ethnic and socio-economic diversity, moderating regional imbalances is of paramount importance for the evolution of a cohesive nationhood. It had been thought that the existence of centralised planning and a judicious use of the Centre's prerogative to make differential allocation of resources would keep the regional imbalances under check. It had also been thought that by location of public sector undertakings development of some backward regions could be promoted. The experience of this approach has been a mixed bag. There exist some examples of development of tribal and backward areas having been seeded by the location of public sector units. For instance, the factory of the Hindustan Aeronautics Limited at Koraput, a tribal area of Orissa, which manufactures aviation engines is a success story and a tribute to the resilience of the local youth, who have imbibed training and have performed as competent and disciplined workers. Similar is the case of the factory of Bharat Dynamics Limited in Medak district of Andhra Pradesh, which manufactures sophisticated missiles. The general picture, however, is bleak. Large parts of the country, particularly those in central and eastern India continue to languish in backwardness. Even within the more advanced States there are regions which continue to remain backward. Obviously, our traditional approach of dealing with

regional disparities has not worked. That approach would further weaken in the future because of the lesser opportunities for PSU location and the greater play of market forces that will determine issues of enterprise location.

The Tenth Plan has recognised that the concept of regional disparities would need to go beyond economic indicators and encompass social dimensions as well. It had advocated a multi-pronged approach to provide additional funding to backward regions in each state, coupled with governance and institutional reforms. A core element of the strategy of the Tenth Plan is the targeting of less developed areas with funds for capital investments and innovative delivery mechanisms linked to institutional reforms. The Rashtriya Sam Vikas Yojana (RSVY) was initiated in 2002-03 with a view to assisting the development of backward areas through additional grants for developmental programmes that would help reduce imbalances, speed up development and help these areas overcome poverty, besides facilitating the states to take up productivity enhancing reforms. The Mid Term Appraisal recognises that RSVY has got off to a promising start and the concept needs to be developed further in the light of experience. The position of the UPA Government on RSVY, however, is still not clear and, meanwhile, the Yojana has virtually stagnated.

There are two issues that BJP State Governments have persistently raised and they are relevant to securing financial resources for development of backward areas. One concerns central subsidy for maintaining vast areas as forests, which fetch little economic returns to the local people and fiscal returns to the State Government but which provide environmental benefit to the country as a whole. The second issue is of enhancing royalty on major minerals, particularly coal, royalty on which has remained constrained by the consideration of viability of the coal industry. Both the demands are justified and the Central Government must respond to them generously, of course, the additional resources flowing to the State Governments may be tied, in some measure, to the areas in which forests or minerals occur, and those are generally inhabited by tribal population.

To the North-East, the NDA Government gave special attention, particularly by attempting convergence of support

through the separate Ministry of North-Eastern Affairs. Experience has shown that mere provision of financial transfers to the region does not yield results unless it is accompanied by improvements in institutional efficiency of the North-Eastern Council, the State Governments and the public undertakings and the banks operating in the region. Concurrent attention has to be given to development and management of insurgency, as both impact each other vitally.

Conclusion

The above brief narration reflects the new approach that the NDA Government built in its six years in office to replace the ossified prescriptions of the Nehru – Mahalanobis model. The new approach addresses the entire expanse of India and all the people, particularly those at the lower end of the economic scale. It is also in consonance with the economic dynamics of our time.

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