

The Resurgent India

A Monthly National Review

October 2019



“Let us all work for the Greatness of India.”

- The Mother

Year 10

Issue 7

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SUCCESSFUL FUTURE

(Full of Promise and Joyful Surprises)

Botanical name: Gaillardia Pulchella

Common name: Indian blanket, Blanket flower, Fire-wheels

Year 10

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CONTENTS

The Dangerous Wisdom of the Economists.....	6
What the Economists are Saying.....	6
Reaching a Natural Equilibrium.....	7
Propping Up the Real Economy	12
The Indian Spiritual Heritage and the Problem of Economic Development	14
Modi-Xi Mahabalipuram Summit: Carrying the Wuhan Spirit Forward.....	21
Beating the Odds	21
A Break from the Past	24
Getting Rid of Remaining Vestiges of Distrust	26
The Evolving Situation in Kashmir	30
Beating the Odds: Normalization in Kashmir .	31
A Welcome Change: New Political Activity ...	34
The Future	39

A Declaration

We do not fight against any creed, any religion.

We do not fight against any form of government.

We do not fight against any social class.

We do not fight against any nation or civilisation.

We are fighting division, unconsciousness, ignorance, inertia and falsehood.

We are endeavouring to establish upon earth union, knowledge, consciousness, Truth, and we fight whatever opposes the advent of this new creation of Light, Peace, Truth and Love.

— The Mother

(Collected works of the Mother, Vol. 13, pp. 124-25)

THE DANGEROUS WISDOM OF THE ECONOMISTS

The ongoing economic crisis in India and in other major countries has ended up thoroughly exposing the economists and their various prescriptions and theories. Today, economists – obsessed with increasing wasteful expenditure to prop up the GDP numbers – are making no sense about what is happening to the economy and what is the way forward. Even a practical person on the street would be able to hit closer home in making sense of the changes that we are going through.

WHAT THE ECONOMISTS ARE SAYING

From both the left-wing and the right-wing ideological spectrums, the sole cause for the economic slowdown has been pinned by the economists to the fall in aggregate demand. According to them, demonetization dealt a blow to the cash economy on which majority of rural and informal sectors depended, thereby leading to a fall in demand, while GST-demonetization together dealt a blow to Micro, Small and Medium Enterprises (MSMEs) which constitute about 95% of the industries in India and provide majority of employment in the country. All this has led to fall in people's spending and rise in unemployment.

Repeatedly, to further buttress these points, data on low household consumption expenditure and low investment is being quoted, by arguing that despite successive interest rate decreases by the Reserve Bank of India (RBI), there has been little willingness to invest. Examples from slowdown in rural consumption in the retail and consumer goods market – such as biscuits and other goods – and the auto slump have triggered further debate.

In a nutshell, most of the current analyses is focusing on the grand slump of aggregate demand, the resultant slump in various retail/consumer industries and the consequent lay-offs and unemployment. ***Thus, the focus is desperately on the big question of how to revive aggregate demand. Our economy resembles a chronic, bed-ridden patient being frantically administered drug after drug to ensure revival.***

Left-wing economists have been pedaling the narrative that the government should spend more on social schemes like MGNREGA which will boost rural incomes, providing more disposable money in the hands of people and, thereby, resulting in more spending by them, and thus, reviving rural demand. Right-wing economists are no different. They laud the government for cutting corporate tax rates and simplifying the GST, insisting that these will incentivize industries to invest more and this will result in more investment, more jobs, more incomes and thus a revival of demand and of the economy.

These analyses of causes and solutions to the economic downturn sum up the drift of the thinking of most of the present-day economists. Not once did they leave their obsession with aggregate demand. As if demand is an indicator of welfare or well-being of people.

REACHING A NATURAL EQUILIBRIUM

More than the self-certified wisdom shared by economists, even a lay shopkeeper would be able to present a more accurate picture of what is actually happening. The problem is not that people don't have money to spend, but that expenditure has become more regulated, due to measures like demonetization and GST. Where people were spending madly before, and black money could be manipulated and represented through various

innovating accounting machinations, there is now much more restraint. People think twice about where and how to spend and whether to hoard or not. Indeed, having too much money lying in a bank account has itself become a fearsome mental burden.

Thus, the tendency of accumulating more and more for oneself has been checked in a very effective manner. These checks are increasing in the times that are coming. Now it has become clear that demonetization was not a one-off phenomenon that took money away from the people, but was a framework for a systematic change that would ensure more and more stringency and transparency into where money is going.

It is no wonder that many consumption-based sectors – automobiles, real estate, jewelry etc. – where payments in black were rampant, are in a slump. This is nothing but a natural adjustment of aggregate demand to reflect its true levels. This consumption demand, which was earlier being vigorously fueled by credit bubbles, is now adjusting to the reality.

That is one of the reasons why despite the fact that the RBI has been successively reducing interest rates in the hopes of reviving investment, the response is still weak. In any other context, a low interest rate regime may have resulted in another credit bubble. But with such stringent frameworks being developed, this is difficult.

This natural adjustment of aggregate demand that is taking place and which is being blamed for falling growth numbers, is a positive development. It shows that the consumption that was being fueled by wasteful spending, living in excess and artificial bubbles to boost demand, is coming to an end. Such

environment and for the psychological health and well-being of the country. The more we would prop up sectors like automobiles, property and fast food industry by going on a spending rampage, the more we were contributing to pollution, and to the kind of mindless construction of hotels and properties that had damaged our rivers, forests, wetlands and the whole ecosystem.

For instance, take the example of transport. The mind-boggling figures from as recently as 2016-17 show that personal transport was growing at a monstrous rate in our country with as many as 220 million non-commercial personal vehicles – a figure comparable to the total number of households in the country at 250 million (Jagannathan, 2017).

This does not mean that every household has a vehicle, since most poor households have none. But it means that those households which do have vehicles have been buying without replacing, since average replacement time for personal vehicles in India is around 10 years, showing how we reached a saturation point. In rich, gated colonies in metropolitan cities, it is not at all unusual to see how a family of four members has four cars, one for each member. These trends have caught up in recent years and shows the sheer power of unchecked indulgences.

Before the hue and cry over auto slump, if this was the saturation level that we had scaled, it is worth questioning what bogus model of growth we pledge our allegiance to – a model of development which destroys our health, environment and overall well-being, and one which only advances our greed and desires.

To take another example, Delhi, at one point, occupied the distinction of being the most polluted city in the world or that ~~13 out of 20 topmost polluted cities in the world belonged in~~
The Resurgent India **9** *October 2019*

India. In our country, when this consumption bubble fueled growth was scaling its heights, it had left nothing untouched by its scourge. Mountainous areas had witnessed a complete change of ecology thanks to mindless tourist constructions and properties, while even coastal areas faced the same problem, resulting in frequent landslides, earthquakes, over-flooding and pollution. Yet, ironically enough, it was this very growth that was fueling the economic numbers.

Similarly, the obsession with food is still rampant – people may have cut down their various other consumption expenditures, but they have still not given up spending on junk and fast food and on hotels. It is this obsession with food that is also boosting GDP numbers, not only through the revenues earned by the hotels and packaged food on which we spend additional money to satisfy our taste, but also through the money we spend on hospitals and doctors when we eventually contract diseases by leading such a lifestyle.

In all of the major examples taken above – transport, urban development, food – not a single instance can be found which actually leads to people’s well-being. Instead, the GDP numbers are being driven by more and more monstrous and harmful activities.

More importantly, in an age where the industrial era has been long overpassed by the era of technology and big data, and, where data is considered as the new gold, we are making ourselves and our country more vulnerable to foreign technology firms and foreign governments. They track our behaviour and can use the data in a variety of ways. At a time, when the next war of national interest is being waged over data – already, we see how India is fighting back against foreign pressures – our economists are advocating that we increase our fetish for

commercial products more and more.

If today, economists' prescriptions are going wrong and these mindless consumptive activities are in a mode of slowdown, isn't that a positive and life-saving development?

For, effectively, we are measuring deprivation through GDP, as, the major economic activities that prop up the economy and fuel consumption and growth are precisely those which lead to more and more deprivation for us, in the form of pollution, bad food, bad water, environmental threats and illnesses.

As if this picture of reality is not dire enough, our economists are advocating propping up the economy by measures that will somehow, anyhow boost people's ability to spend more and more. Such propositions will lead to only more disaster and it is nothing short of grace that this is not happening.

If the consumption of such harmful products and habits is going down, that is a positive rather than a negative sign for us, as a nation. Of course, since the GDP is a measure of deprivation, as our meaningless consumption goes down, so will the GDP. But this will result in a natural and real equilibrium and help in protecting our environment, health and psychological well-being.

Unemployment, for instance, is an example of market signaling to us to stop producing useless output that is not in demand – it is a message to us to stop awarding teeming useless educational degrees and certificates which compound the problem of educated unemployment. Indeed, today unemployment among graduates and above is twice the average unemployment rate of the entire labour force. This unemployment level rises with higher level of degrees.

This just means that there is a demand for specific kind of jobs – for the educated. But if the output produced is bad and large in quantity, it will not be accepted. Most of the educated end up unemployed. Indeed, those with even higher degrees like MA and PhD end up with nothing better than NGO-type jobs. Yet, every day, we have new colleges and degrees coming up and all kinds of ludicrous courses taking shape.

All this wasteful expenditure, with such mediocre quality, has to be curbed. And low GDP numbers are hardly a criteria for judging the quality – quite the opposite, in fact.

PROPPING UP THE REAL ECONOMY

Instead of the demand-driven economy of today, where wasteful expenditures in areas that advance our deprivation and baser desires, what we should have, and seem to be increasingly moving towards, is the real economy, where demand should fall into a natural balance and all excesses are curbed.

The spending on critical strategic areas like defence and national security, infrastructure, space, and, science and technology, should be encouraged more than the wasteful expenditure that goes into all kinds of social schemes and subsidies. Here also, the point of spending on these critical strategic sectors is not that they will lead, hopefully, to a better economy, but simply that they are important from the point of view of the security of the nation and its interest.

At the same time, as the example of unemployment has shown, we need to stop producing mediocre output and mediocre youth. Today, the opposite is happening. ***Our spending on our critical sectors of national interest is minimal, but our economists are continuously pressurizing the government that the only way forward is to put money into the hands of people,***

so that their meaningless and harmful spending can give us good GDP numbers. Real well-being is, of course, on no one's mind. The government too is listening to these voices, otherwise it would not be parroting the rhetoric of reaching a \$5 trillion economy.

The bubble fueled by consumption sectors is deflating, not because of the government, but in spite of it and by Divine Grace. At a time, when almost all structures of the West are collapsing – their international institutions, their political wisdom and their economic wisdom – and their culture is changing, we, in the name of the economy, are making a grievous error by listening to the long-dead western wisdom.

THE INDIAN SPIRITUAL HERITAGE AND THE PROBLEM OF ECONOMIC DEVELOPMENT

“If India follows in the footsteps of Europe, accepts her political ideals, social system, economic principles, she will be overcome with the same maladies. Such a consummation is neither for the good of India nor for the good of Europe. If India becomes an intellectual province of Europe, she will never attain to her natural greatness or fulfil the possibilities within her. *Paradharmo bhayavahah*, to accept the *dharma* of another is perilous; it deprives the man or the nation of its secret of life and vitality and substitutes an unnatural and stunted growth for the free, large and organic development of Nature. Whenever a nation has given up the purpose of its existence, it has been at the cost of its growth. India must remain India if she is to fulfil her destiny. Nor will Europe profit by grafting her civilisation on India, for if India, who is the distinct physician of Europe’s maladies, herself falls into the clutch of the disease, the disease will remain uncured and incurable and European civilisation will perish...” (CWSA 7: 1041)

What Sri Aurobindo, writing in 1908, had warned us against has unfortunately come to pass. The Western judicial, legal, administrative, political and economic systems of organisation we inherited from the British continue unabated even after more than seven decades of Independence. Not only this, but during this period, we have been increasingly coming under the sway of the Western modes of thinking, feeling, life style and values which are increasingly having their corrosive effect on the psychological infrastructure of our society. A class of educated Indians has been created and nurtured under the

label of “Secularism”* which has no use for India and its spiritual culture and is in love with the West and its values and lifestyle. This has enabled the Western spirit of commercialism and utilitarianism to come to the forefront and pervade every nook and corner of Indian society. This spirit seems still to be increasing and moving towards its culmination in the near future. Even those few who followed a different curve and have been nurtured under the aegis of the “Hindutwa” organisations – though spared the poison of the popular pseudo secularism – have equally come under the influence of the Western mentality and its way of looking at things and have fallen prey to the commercial and utilitarian spirit.

Even the nationalist government of Sri Modi which came to power in 2014 after over six decades of secularist governments does not seem to be conscious of the danger and the corrosive effects of Western institutional infrastructure inherited by us seven decades ago and all the gross selfish materialistic values and thinking that have been springing from it ever since. It must really be so, or else, how do we understand the loud talk on the part of our Prime Minister and his party on making India a \$ 5 trillion economy in the next five years from the current \$ 2.6 trillion. The size of the economy that the Prime Minister is referring to is popularly measured by the Gross Domestic Product (GDP) which is not at all a satisfactory measure of the real well-being of a country. However, most even of those who would agree with this would point out that although

*Tarek Fatah, a free and learned Islamic thinker, has most aptly defined this “Secularism”. According to him India is a country which has a superior culture. This is the only country where people are taught to hate their great culture. A great effort is made to educate people to eulogise the attackers and invaders who came to destroy this culture. And this foolishness is called secularism.

unsatisfactory as an absolute measure of well-being, it (the GDP) is still a very useful measure, at least in indicating the direction of the movement in the well-being of a country over time.

When the concept of GDP is closely examined, it is found that not only is it a very poor, but often, even a perverse measure of the level of well-being of a collectivity. If it were possible to design a true measure of well-being (not just the monetary value of the streams of income and wealth) it will be found that the changes in the GDP and in this true measure may often move in opposite directions over time. All this means, when put simply, is that a growing level of GDP could be consistent – and often is – with a declining level of national well-being, even when defined in narrow materialistic terms – i.e. limited to the satisfaction of the surface being – the physical body, life and mind – of the individuals and the collectivities.

The important question is how this can be true given the universal acceptance of the idea of economic growth and development among experts and common people. To begin with, it can be easily shown that the concept of GDP and the way it is defined and estimated makes it almost entirely unsuitable for measuring real human well-being. The GDP of an economy is defined as the sum total of all the expenditures on goods and services during a given period without any distinction of how much or how little a particular expenditure adds to (or even detracts from) the real well-being. The size of the GDP alone matters and it is always taken as a measure of the well-being. So, higher the aggregate expenditure, higher is the level of development even if a good part of the aggregate expenditure is directly related to fighting the environmental degradation (physical and psychological) translating itself into ever newer and newer forms and increasing levels of ills such as diseases,

crimes, wars, terrorism and deprivations resulting from addictions to ever more and more nebulous and enticing drugs and other products of technology such as computers and smart phones, etc., which are, in a way, the by-products of the present predominantly materialistic way of thinking and living. On the collective level, the deep distrust prevailing among nations prompts them to spend ever more and more on research and acquisition of ever more potent and sophisticated means of mutual destruction and annihilation. The ever growing expenses on all the above which have nothing much to do with increase in human welfare are yet counted as GDP.

The national pursuit for an ever increasing level of GDP is akin to the journey of someone who in journeying towards a seemingly attractive landscape – a materialistic dreamland of happiness – finds himself faced with “ditches” ever increasing in number and depth* as he goes along. Before one can proceed further towards the attractive dream land, one has to try to fill these “ditches” by means of hard physical and psychological labours, hurts and sufferings. The spending on the alleviation of these ever increasing afflictions – the only part measurable in monetary terms – is only a small fraction of the price paid in terms of physical and psychological sufferings incurred. Logically, this part needs to be deducted from any real measure of well-being but, instead, it is taken as contributing to the ever growing GDP measure. It is like someone charging you both for the digging and then for the filling of the “ditches” so dug. As things stand at present, unless humanity is made to change course by the divine Grace, it faces the prospect of having an ever increasing portion of the GDP contributed by spending related to the filling

*Not always too unpleasant in appearance but increasingly deadly in effect.

of the above mentioned “ditches” of depravation. At a given level of consciousness, we can only partially alleviate even the physical part of the sufferings caused by the “ditches”. The psychological part of the sufferings cannot be alleviated except by rising to a higher level of consciousness – the aspiration for which has been the foundation of Indian culture since times immemorial.

If one looks at things in this light then it becomes clear that the GDP is not only not a good measure but is likely to become, increasingly, a perverse measure of the “well-being” even by the materialistic yardstick. The recent GDP growth figure of 5 percent for the quarter ending June 2019 should be looked upon in this light. When so done, all the hue and cry about such a low figure of growth – as if the sky of economic disaster was going to fall on us – seems like childishness. The calculated censor and cooked up alarm is quite understandable when coming from certain quarters – aptly labelled by Sri Swapan Dasgupta as a “pack of hyenas hunting for even minor slips of Modi.” But the noise made by somewhat neutral (both handed) economic experts and the response of the government and its economic advisors to such a noise is less understandable. In the light of the Modi government’s policy initiatives during the past few years, the latest GDP Growth figures, if anything, should be welcomed as an indicator of the country’s movement towards a saner and higher level of physical and psychological well-being* made possible by the nationalistic government’s attempt to rid

*The Modi government’s decisive and bold action of 5th August, 2019 has – for a major portion of the country’s population – uncovered and brought up to the surface such a stream of deep psychological satisfaction (which had remained hopelessly submerged during the past one millennium of continued national humiliation) that in the face of such an upliftment in national psyche, most people couldn’t care less

the economy of corruption and other political, social and economic structural imbalances which have been a major source of impediments to the country's march towards the cherished dream of national greatness whose flame has been kept burning by the blood and sufferings of countless martyrs and great spiritual Gurus during the dark night of a millennium of cruel subjection to the rule of the aliens. The bubble of the aggregate demand – to increase which the economists and experts of every kind and colour have been advising the Modi government – was expected to be deflated a little bit when the superficial and harmful part of it – springing out of the play of black-money generated mostly by corruption at every level of government – was being progressively deflated by the central government's attempts at regulating black-money by making it accountable and otherwise also determinedly fighting corruption at all levels.

The noise made and the common concern shown for the high unemployment rate turns out to be equally hollow. The rate of unemployment that stood at the level of 2.55 during 2018 is still not higher than what it was during the years 2013 to 2017. The problem of unemployment that the country is facing at present is, in its nature, mostly structural, applicable only to a particular kind of ever growing crowd of job seekers – largely the holders of worthless degrees from educational institutions of poor or ill repute. The role of the market in a competitive economy is to send signals to the producers of goods

for all the ups and downs in the mundane and superficial indicators of economic well-being. This is the characteristic manner in which we hope, a growing love for the country and pride in its greatness is going to enable the country to come out of the grip – utterly narrow and degrading for a spiritual culture – of the Mammon of utilitarianism and economic growth.

and services through changes in the prices of their products. When there is an excess of supply of a good or a service, it is reflected in an increase in the unsold stock and fall in the price in the case of the good and a higher level of unemployment and lower level of wages in the case of the service – the relative strength of these changes depending on the relevant demand and supply elasticities of the good or the service in question. The higher level of unemployment of the “educated” youth – there is practically no excess unemployment in other categories – is just the thing required (however unpalatable it may be to the politicians) to save the scarce precious resources of the country by curbing the overproduction of worthless degrees and diplomas.

In a series of articles following this brief introduction, we hope to bring into sharp focus the deep and momentous problems associated with the blind pursuit of the modern materialistic gospel of economic development and growth by the individuals and the collectivities.

(To be continued....)

MODI-XI MAHABALIPURAM SUMMIT: CARRYING THE WUHAN SPIRIT FORWARD

The recent visit by the Chinese premier, Xi Jinping, to India marks yet another moment in the deepening and maturing of the India-China relations. No country has, perhaps, been as misconstrued in the Indian public discourse as China. Prior to the changed foreign policy approach of the Modi regime, previous administrations used to conduct backdoor diplomacy with China. Significant agreements were signed and breakthroughs made, but the warmth and friendship was missing. However, since the last 4-5 years, what we are witnessing is a break from this past.

India – not the political pundits sitting in media, bureaucracy and think tanks, but the government – seems to have finally been convinced by the Chinese worldview that the way ahead for India-China relations should be a spirit of cooperation, rooted in their ancient exchanges, and not the spirit of competitive utilitarianism fostered by the Western worldview of politics.

The ‘Chennai Connect’ or the recent informal Mahabalipuram summit was about advancing this spirit, in the context of the rising ‘Asian century’. More importantly, this spirit is being tested on the ground, especially in other countries and a changed level of maturity and commitment is already being seen in both India and China.

BEATING THE ODDS

While the preface to this summit was not particularly pleasant in its outwardly visible signs, the unexpected grandeur with which Xi was received as well as the smoothness and natural compatibility with which the summit proceeded

exceeded expectations – this summit was as striking, or even more, than the Wuhan summit from which the format of informal highest-level exchanges was inaugurated.

The informal summit after every such shake-up has resulted in building more trust than ever before and has added a deeper element to the relationship. ***Except for the over-interpreted optics of word play, there is not a single action by either India or China vis-a-vis each other that could suggest anything negative in the relationship.***

The odds, however, are always stacked against the relationship. Incidentally, the irritants are all purely external factors, related to third countries, and rarely ever concern issues directly between India and China. This time, in particular, Pakistan was weighing heavily.

Just as the Wuhan summit had been preceded by the Doklam border crisis which had escalated the India-China tensions, the current summit was preceded by India's abrogation of Article 370 which granted Jammu & Kashmir a special status. India's internal decision has caused a havoc in Pakistan with its attempts to internationalize the issue, with China seeking to support, humour and keep Pakistan in check, likely so as to prevent it from losing its balance and stability completely. This demeanour of China has drawn much flak from Indians.

As always, the close relationship between China and Pakistan was made a judgment standard for India. ***Our public discussions were full of things which are meant only for optics and have no deeper reason behind them – like the overtures made by Pakistan towards China through Imran Khan's visit and Chinese statements on Kashmir that would often irk Indians.*** With just about two days to go for the summit, Imran Khan visited China and, both, issued a standard joint statement,
The Resurgent India

further giving the Indian political pundits opportunity to float baseless speculations.

It didn't matter that China has done nothing on the ground to oppose India and that it has only given verbal statements – balanced on the whole – after much pressure from Pakistan. To misjudge a country, without seeing the larger picture and all components, results in passing quick judgments based on temporary, superficial or passing optics by these countries.

This has always been the case in India-China relationship – in the minds of the public, it is based more on speculations than on reality. The problem is that we view everything that China does through a lens of insecurity. This is despite the fact that the India-China border has not witnessed any military confrontation after the 1962 war and is amongst the most peaceful borders. Moreover, China has adopted a wider approach to the border problem despite the mistakes committed by the Nehru government.*

Despite this, China has continued to be a much misunderstood country in India, although the current administration has surmounted this psychological blockade to a great extent. The tendency to compete with China and the feeling of heightened insecurity is such that it has percolated to

*It may come as a shock to most people – thanks to the almost universally mis-informed public opinion on this issue – but India's short 1962 conflict with China, which has proved disastrous for Sino-Indian relations, resulted largely from the self-righteous and conceited approach of Indian leaders on our border dispute with China. The whole issue had been explored in great details in a series of articles in the seven consecutive issues – November 2014 to May 2015 – of this Magazine. In the light of the critical analysis of the important current and centuries old historical records contained in these articles, one can find little, if any, fault in China's dealings with India in this respect. (Links at the end of the article)

all fields – economy, military, foreign affairs and soft power.

A BREAK FROM THE PAST

In recent times, a break from these psychological formations has been seen in the Indian government's approach. The Modi regime has infused the kind of sure-footedness and dynamism in foreign policy that is reflecting in our relations with China also.

No longer is foreign policy the domain of bureaucrats or marked by deliberately staged vagueness. Rather, there is a match between what is said and the action done on the ground. During the left-liberal era, rhetoric was one thing and a timid, overly balancing, cautious and uncertain foreign policy was another reality. In the current times, all this vagueness has been replaced by purpose and surety with regard to India's relations with all countries – US, Arab states, Israel, China, Iran, Turkey and Pakistan.

Instead of following the hollow and vapid speculations advanced by the so-called public intellectuals, the Indian government has been following a cooperative and mature relationship with China. ***While several important guiding agreements were signed between the two countries during 1990s and early 2000s, it was with the Wuhan informal summit of 2018 that there began a practice of bringing depth and warmth in an otherwise indifferent, impersonal and coldly remote relationship.***

Both the Wuhan and Mahabalipuram informal summits have successfully established a mechanism of direct premier-level contact between India and China. And, with Xi inviting Modi to a third summit in China next year, it is clear that this unusual but thorough format is here to stay.

This in itself, it is no mean achievement. ***The fertile ground provided by these regular high-level, informal exchanges have been more significant than any agreement that is signed after years of painful, mechanical negotiations by bureaucrats.***

Indeed, it would be a misplacement to suggest – as some ex-diplomats are doing – that the 1998, 2003 and 2005 agreements enabled India-China relationship to be guided along a certain path. Instead of looking at the larger picture to analyze these small fragments, they end up analyzing the larger spirit by placing undue importance on these small steps, negotiated after considerable expenditure of diplomatic labour and mechanical efforts. The only thing that bureaucratic agreements have achieved is to prevent the escalation of hostilities, but the distrust and coldness remained as strong as ever, especially from the Indian side.

Since 2018, this mechanical negotiating of the relationship has been reversed. The regular informal summits between the two leaders are meant to lay down a larger vision which would guide the relationship in all its micro aspects – border exchanges, third country cooperation, cultural, economic and other exchanges, and, other issues that may arise from time-to-time. It is this spirit and vision that would also reflect in the agreements signed between the countries.

And its results are already visible. There has been a sea change in the Indian approach towards China and vice versa. India has strengthened its support for China in its sovereignty issues and stopped playing politics. India has also refused to be taken in by US-China escalations and politicization of the Indo-Pacific.

There was a time when Chinese investments in our neighbours — Sri Lanka, Nepal, Bangladesh and Indian Ocean

islands – were resented by India. Today, that insecurity has been replaced by India also becoming active in taking a leadership role in these smaller countries, without clashing with or feeling any threat from China.

Likewise, China has also reciprocated. Some of the landmark decisions, like the listing of Masood Azar, came after the 2018 informal summit. Despite the optics on Kashmir, China has also managed to keep Pakistan from going completely insane. It is doing India a favour by stabilizing the situation in South Asia. It is clear that by establishing this mechanism both India and China have matured their relationship and grown.

While the Wuhan summit made a major breakthrough in terms of establishing that India and China should follow a pattern of cooperation in various third countries, like Afghanistan, Nepal and African states, the recent Mahabalipuram summit took this a step further. ***The summit highlighted not only cooperation in foreign policies and in the economic arena – by deciding to establish a high-level mechanism to resolve trade deficit and economic issues, at the level of finance ministers – but also took a decision to inaugurate public cultural exchanges based on historical ties between the two nations.***

Significantly, they also decided that they would not allow ‘differences to become disputes’ or to ‘dilute cooperation’. Coming in the backdrop of recent push-and-pull and illusory fabrications of tensions between the two countries, these commitments are significant.

GETTING RID OF REMAINING VESTIGES OF DISTRUST

Despite the significance of the commitments between the two countries and the growth of active rapport since 2018, there

continue to be lingering traces of misperception on India's part towards China's actions in its neighbourhood.

Immediately after concluding his India visit, Xi proceeded to Nepal. That visit was equally significant, coming at a time when China is making heavy investments in Nepal and is building a corridor to link China and Nepal via Tibet.

China has been keen to sign an extradition agreement with Nepal, which would enable Nepal to more effectively police anti-China activities as well as deport anti-China dissidents and troublemakers. However, this was not signed during the current visit.

Paradoxically, Indian public discourse – which has been closely watching Chinese activities in Nepal – appears to see a cause of elation in this development. ***Indians are under the impression that China ought to be 'contained' in India's neighbourhood, especially Nepal, Bhutan and Bangladesh.***

Nothing could be farther from the reality. What India fails to realize is that China's increasing penetration into these smaller countries is actually helping to stabilize these countries and prevent all kinds of anti-national and fanatic Islamic and missionary elements from getting a full play. Consider the case of Bangladesh. The country is on an equal – if not worse – footing as Pakistan when it comes to Islamic fanatics, the only saving grace being the Hasina government. Due to dependence on India, China and Russia, the Hasina government has had to adopt an absolute policy of zero tolerance towards these fanatics, which, however, lapses quite often.

In the case of Nepal, the country is a fertile ground for Christian missionary activities. Worse, these missionaries directly run NGOs and human rights organizations which are

funded by powerful lobbies in US and Europe as well as their governments. Natural disasters – like the 2015 earthquake – have been used as ripe occasions to distribute Bible along with aid material. Christianity finds favourable roots where there is poverty. Waking up to this threat belatedly, Nepal brought in stricter laws against conversions in 2018, and drew a lot of flak for this mainly from US and Europe.

Other than India, Nepal is the only Hindu majority country and has historical and cultural relations with India. Yet, **India has failed Nepal repeatedly**. Despite being a regional great power, India was unable to prevent – rather, under Congress, India directly abetted – the communist takeover of Nepal. Similarly, in more recent times, India has shown nothing but indifference to the poisonous missionary activities in Nepal. It has not struck India that it would benefit India if her neighbourhood does not become a hotbed of NGO politics couched by religious fanatics, funded by foreign governments. Prior to Xi's recent visit also, there were a series of protests in Nepal.

Chinese penetration into Nepal – be it in terms of closer cooperation in economic field or in strategic/defence/internal policing – will definitely put a brake on these adverse elements in Nepal. An extradition treaty and a commitment to deal toughly with anti-China protestors means Chinese shadow over internal law and order in Nepal. This is bad news for the missionaries, who often stage protests in the garb of Tibet nationalism, since missionaries anywhere just need a cause to provide a cover for their hidden agenda of conversions.

Better would be India-China cooperation in third countries like Nepal – and China had already suggested this last year in the contexts of Nepal, Afghanistan and Africa.

There is no clash here between India and China. Rather, increasing Chinese presence, coupled with Indian cooperation, may change the face of South Asia for better. Through this, Chinese activities are paving the way for India to rise above perpetually grappling with the small neighbourhood issues and have a global footprint.

URL links to The History of Sino-Indian Relations and the Border Dispute between the Two Countries

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THE EVOLVING SITUATION IN KASHMIR

The momentous changes that occurred in Jammu and Kashmir on August 5th have finally come in force this October. Consequent to the abrogation of special status under Article 370, J&K and Ladakh are now separate Union Territories. Just before these changes came into force on October 31st, the erstwhile united state saw the elections to the Block Development Council (BDC) being conducted. The BDC elections were not only the first ever electoral exercise in the region after the abrogation of special status, but were also the first ever BDC elections to be conducted in the history of the state.

The fact that the elections went smoothly at a time when the communications blockade is gradually being lifted shows that the government has not left even a single base uncovered. Long before the lifting of the blockade, journalists and tourists were given a free pass to enter and leave from the state, while recently a group of Members of European Parliament (MEPs) visited Kashmir.

It is also notable that barely two months after the revocation of the special status, the government has begun to lift the blockade, despite militant threats. There was not a single instance of things going out of control or allowed to flare up, showing that the government had planned well in advance for Kashmir. Heavy army presence has ensured that militants remain neutralized, while Pakistani attempts to infiltrate terrorists into India has been rebuffed with yet another strike on PoK by the Indian Army.

These developments show that Kashmir is reaching normalization and will soon see political activity by next year. The continuing detention of some of the prominent leaders

shows that the government is determined to not give into their blackmail in future and that future terms will be set directly by New Delhi.

BEATING THE ODDS: NORMALIZATION IN KASHMIR

The Indian government decision to revoke the special status of J&K has received ample international attention. While the governments of most other countries have been supportive of the Indian position, it is the international liberal-left media, political power brokers/lobbyists sympathetic to Pakistani government and sections of anti-India NGOs (like Amnesty) and public personalities that have left no stone unturned in spreading misinformation about Indian actions in Kashmir.

The garb of human rights has been donned by these sections to peddle fake news regarding Kashmir. As always, even prominent media portals like BBC have not been immune to this, posting photographs of Russian Army excesses in Chechnya and passing that off as Kashmir. Leading newspapers like Washington Post and New York Times and some British newspapers have made it their mission to vilify India and become Pakistani mouthpieces. Interestingly, recently, US President, Donald Trump, cancelled all subscriptions of Washington Post and New York Times from all federal departments, on the ground that it is 'fake news'.

The Democrats in the US Congress and the Labour Party in Britain have, similarly, allowed themselves to be open to Pakistani PR agencies and lobbyists. Despite this, the remarkable thing is that the Indian government has not allowed itself to bow down to this particular lynch mob even once. Neither have any Indian lobbyists been commissioned to please the American or British lawmakers.

Rather, in a show of defiance and impunity, about 27 right-wing MEPs were allowed to visit Kashmir in a highly protected and regulated visit. After their two-day visit, they reported that there was a lull in Kashmir and things were yet to return to normal, but that the militants were the main bar, and most importantly, they said that these terrorists were sponsored by Pakistan.

Despite criticism from left-liberal lobbies, the visit went smoothly and the Indian government had completed a basic formality of showing to the world that things are normal in Kashmir, but that all visits would happen only after being vetted by the government. No one can complain that India is hiding Kashmir situation from the world.

Even prior to this foreign delegation visit, there were already accounts emerging from the evolving situation in Kashmir from September onwards. Several journalists were allowed to visit Kashmir and, under the Supreme Court orders, some political leaders too were allowed, but with the condition that they will not promote political activity which might incite people.

The accounts that emerged from these visits were balanced. As early as September, disturbances were confined to a part of Srinagar, with other areas largely peaceful. Indeed, the situation in Kashmir has never been so controlled. The havoc caused was much worse in 2016 when terrorist Burhan Wani was killed by the Indian forces.

In the present scenario, while there is a tendency among a section of the population to feed false stories about Indian Army, a basic cross-checking of facts by an investigator showed that most of these stories were completely fabricated. For instance, claims made by a colony's, Soura, residents in Srinagar about

government hospital being full of pellet gun victims was proven to be false upon visit to the hospital, where there was only a single pellet gun victim and that too not from Srinagar. It was also uncovered that many a time, the local doctor would be hand-in-glove with the some locals in writing false medical reports to show to the media (Iyer-Mitra, 2019).

The situation differs from place-to-place. A field visit account from Pulwama in August highlights that while there were disturbances in Sunni villages, in Shia villages it was just the opposite. Balama, a Shia village in Pulwama, had almost no restrictions in place, with one of its residents even saying that they have to sometimes request the authorities to impose a curfew so that neighbouring Sunni villages don't get the impression that they have special privileges (Pandita 2019).

Other than open defiance which has been confined only to certain pockets and has not been able to take the shape of a rebellion, reports from various other parts of Kashmir are unanimous in indicating that there are two options: either the locals want normalcy and are tired of Pakistani sponsored terrorism, or, they might explode and rebel any time in the future.

For now, this will remain unclear as long as terrorists continue to operate. While educational institutes and work places are seeing low attendance, the main reason is threat by militants and killing of those who dare to go to work. This is a marked change from the cries of 'azadi' that frequently used to rent the air prior to August 5th, the credit for which goes to the tough response of the Indian government never seen before.

Thus, the overall situation in Kashmir has been controlled since August 5th, largely thanks to deft handling of the

government. Taking a leaf out of Israel's book, the Indian forces have been able to employ crowd control techniques that have ensured that things don't flare up. This has meant micro-management through technologies, ensuring that large groups are immediately broken up and that political activity or anything that can incite the people is not allowed. Also, the fact that hundreds of detained separatists and their informers have been lodged outside the state and main leaders are still under detention has ensured that no leader is allowed to crop up to gather the people.

In the midst of these changes, political activity is also being promoted, to ensure that there is normalization, but along new lines. For, Kashmir – swamped by Pakistan-funded terrorists and jihadi separatists constantly battled by heavy presence of Indian forces – has never been 'normal' since 1948.

A WELCOME CHANGE: NEW POLITICAL ACTIVITY

Last year's Panchayat elections and this year's BDC elections, both of which were conducted against all odds, is a step towards putting new systems in place to ensure that the integration of Kashmir is thorough even in the minds of the people living there.

The fact that the BDC elections – with 98.3% polling – were conducted in the first place, under such daunting circumstances, just within two months of the revocation of the special status of the state, is in itself a big victory, which has not been adequately acknowledged. Also significant is the fact that the elections were held simultaneously with the gradual phasing off of communications blockade.

The fact that these are the first ever BDC elections to be ever conducted in J&K reveals how dysfunctional the system of

J&K had become over the last few decades. Not only were local body institutions dysfunctional, but the entire state had become a fiefdom of 3 or 4 prominent Kashmiri Muslim families – Abdullah, Mufti, Lone, to name a few.

The system operated not through local level representatives, but by the feudal patronage networks run by these top families. And thanks to the ‘special status’ enjoyed by the state, New Delhi had to depend on the intermediation of these families and had no direct links in the state. The only representative of New Delhi was the much reviled and vilified Indian Army.

Providing access to communications, while simultaneously conducting elections, has not been easy for the Indian government, but this pertinent aspect is hardly acknowledged. ***Ever since post-paid mobile connections and telephone was made accessible, there have been a series of attacks by militants on non-local labourers in Kashmir and at least two grenade attacks. Yet, not only is the blockade being lifted and public spaces being opened, but the BDC elections were held and saw high participation despite threats from militants.***

BDC forms the second rung of local level governance. Last year, direct elections to the posts of panches and sarpanches – the first rung or village level of local governance – were conducted, in which 23,629 panches and 3652 sarpanches were elected. It was these panches and sarpanches that became the voters in the BDC elections, which are indirect elections to select the block level chairpersons. The third and final rung of local elections will be held for the district level authority.

The BDC elections were held on 307 notified blocks, with 1092 candidates contesting, out of which 27 were elected

unopposed. ***Since the elections were boycotted by Congress, National Conference (NC) and People's Democratic Party (PDP), the contest was between BJP and independent candidates. However, some BJP members have alleged that these three parties fielded their proxy candidates as independents.***

The results have come as a surprise to the BJP, which had been campaigning for a long time for these elections. The party managed to win only 81 blocks, while the independents won 217 blocks. J&K Panthers Party won 8 blocks, while a lone Congress dissident won 1 block.

Table: Results of BDC elections held in October 2019:

Name of district	Total number of blocks	No. of blocks notified for district	BJP	INC	JKNPP	Independents
Kupwara	24	24	0	0	0	24
Baramulla	26	26	1	0	0	25
Bandipora	12	12	0	0	0	12
Ganderbal	7	7	0	0	0	7
Srinagar	4	3	0	0	0	3
Budgam	17	16	2	0	0	14
Pulwama	11	9	4	1	0	4
Shopian	9	8	8	0	0	0
Kulgam	11	7	0	0	0	7
Anantnag	16	16	3	0	0	13
Kashmir division	137	128	18	1	0	109

Leh	16	16	7	0	0	9
Kargil	15	15	4	0	0	11
Ladakh division	31	31	11	0	0	20
Kishtwar	13	13	7	0	0	6
Doda	17	17	5	0	0	12
Ramban	11	11	2	0	0	9
Reasi	12	12	4	0	0	8
Udhampur	17	17	4	0	8	5
Kathua	19	19	9	0	0	10
Samba	9	9	4	0	0	5
Jammu	20	20	9	0	0	11
Rajouri	19	19	8	0	0	11
Poonch	11	11	0	0	0	11
Jammu division	148	148	52	0	8	88
Grand total	316	307	81	1	8	217

Source: Observer News Service (2019)

The results show that independents have performed much better than the BJP, in Jammu, Kashmir as well as Ladakh divisions. BJP has won 18 blocks in Kashmir while independents have won 109 blocks and a lone Congress dissident has won 1 block. In Shopian in south Kashmir, where the BJP has won 8 blocks, they were won unopposed. In Jammu, BJP has won 52 blocks, while independents have won 88 blocks and JKNPP has

won 8 blocks from Udhampur. In Ladakh too, while BJP has won 7 blocks and independents have won 9 blocks in Buddhist-majority Leh, in Muslim-majority Kargil, BJP has won 4 blocks while independents have won 11.

The most surprising is the fact that BJP did not perform well in the Jammu division, which has been its stronghold. Here also the independents performed better. Except for Kishtwar in Jammu division, where BJP won in 7 blocks while independents won in 6 blocks, the BJP has underperformed in all other blocks in Jammu, including in areas like Kathua, Udhampur and Jammu which used to be BJP strongholds.

While the elections were not direct and do not reflect the popular mood, yet the division in the votes between the BJP and the independents shows that it is not winning or losing that matters in these polls, but the fact that polls were conducted in the first place and were conducted smoothly and efficiently.

Usually, in these indirect elections, the one factor that matters the most is lobbying, since it is the panches/sarpanches and not the mass of ordinary people who vote. It is no secret that the BJP unit in J&K has been divided of late and has indulged in internal bickering and politics. The disconnect between the dependent local unit and the dynamic Modi-Shah leadership at the national level is also palpable, which explains why BJP swept the Lok Sabha election in the state in May 2019.

The BJP's local unit was also under the impression that they would most certainly sweep the polls, since other parties were boycotting them. As it was later revealed after the election results, the opposition parties played smart. They backed various independent candidates and played a spoilsport for the BJP. The independents – backed by these parties – also formulated

strategies to ensure the BJP's defeat in various blocks. Moreover, as per BJP's internal calculations, they said that they decided not to field candidates in Kashmir and support independent candidates in various pockets. If these BJP-supported independents are taken into account, the block share would go up from 81 to about 140 (Ehsan 2019).

Paradoxically, the jolt to the BJP in BDC elections should convince the naysayers that free and fair elections with high participation in J&K have truly started. Just 2 months after the massive changes in the region, this is a big achievement and as good a marker of normalcy as any.

THE FUTURE

Besides the indirect district-level elections, also lined up on the government's horizon are state level elections and the delimitation exercise for Jammu and Kashmir regions, by next year. As far as detention of political leaders is concerned, there is a deadlock, which goes on to show how sensitive and explosive the situation in Kashmir has been for so many years. The uneasy calm that prevails today is largely due to the heavy presence of Indian forces, with apprehensions that once full communications are restored the jihadi leaders will once again be active, as will their overground workers, and confrontations and violence will be inevitable.

Being a Sunni Muslim majority region with sympathies towards Pakistan, it is futile to talk about normalcy. It is not possible for Kashmir to return to normalcy as there never was anything normal about the valley since 1989, where India has always been seen with suspicion. From here on, there can only be a brand new course that can be charted out.

India is doing right by breaking away from the earlier policy

of pampering separatists – even the intelligence agencies, such as RAW under former chief, AS Dulat, believed in cultivating assets. Unfortunately, these ‘assets’ were on payroll of both India and Pakistan, but used to advance only Pakistani interests. They were assured of protection from the central agencies due to the clout of political masters, NC and PDP. The current Indian policy had abandoned this soft approach since 2014 and has dealt with terror and separatism with an iron hand.

The new Indian policy takes cue from Israel and how it is dealing with Palestine. The recent strikes by Indian Army in PoK in the Tangdhar sector in October is testimony to that. The strikes destroyed, both, terror camps as well as Pakistani army bunkers, killing terrorists as well as Pak Rangers. This time, the strikes did not come as a surprise and Pakistani response – while one of denial – was also less rabidly political, showing that Pakistan and India are getting used to this new format. India has normalized cross-border strikes inside PoK, the first of which was conducted in 2016. This is much like Israel has normalized strikes on Hamas in Gaza. Indian actions no longer generate surprise, especially after Uri and Balakot. More such strikes can be expected with regular frequency.

This means that India has turned the tables on Pakistan by turning PoK into a buffer zone of sorts. Instead of adopting a defensive posture and being pushed back, India has taken an offensive and expansive position, and there is little Pakistan can do about it.

India has also thwarted Pakistani attempts to infiltrate terrorists into Kashmir, which is helping the situation in Kashmir. Pakistani and Kashmiri problems are underlaid by the common problem of Islamic fundamentalism. In the near future, a strong Indian state, controls over Kashmir for several years – just like

in north-east during the 1990s – and simultaneous political activity, seem to dictate the evolving equation.

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Veda and Vedanta

“See all forces as personalities in their action. That is Veda. See all personalities as the supreme Purusha, Krishna; that is Vedanta.”

– Sri Aurobindo

(Complete Works of Sri Aurobindo, Vol. 10: p. 520)