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## Lessons of India's Budget

The Budget displayed a maturity and rationality of thought and action in terms of basic public finance policies. Within the economic sphere, what India still needs is careful rethinking of the balances and boundaries between public and private; centralised and decentralised; economics and politics; and rich, poor and middle

**LIFE IS NEVER PERFECT**, and Union Budgets are just one example. But in the case of this year's Interim Budget, it does seem like the glass is at least half-full in the sphere of economic governance at the Centre, even if broader concerns about the Budget remain. The Budget has been described as populist, but one could alternatively characterise it as providing a mild fiscal stimulus, which may not be a bad thing at this juncture, when India's economy is still struggling to get out from under the overhang of bad debt accumulated in prior years.

The slight slippage in the FRBM (Fiscal Responsibility and Budget Management) target is not too much of a concern, and the transfers—implicit and explicit—that will lead to this slippage have been designed relatively well. The key idea here is that transfers are being achieved through cash payments into bank accounts, and through income tax rebates (an example of what economists call “tax expenditures”).

A greater concern is what is happening fiscally at the level of the states, and in the realm of state-owned enterprises. Problems there are contingent liabilities of the central government, and need policy attention, in the form of improved budgeting practices by the states, continued privatisation, and strengthening of the tax administration and tax capacity for states and for cities. But those issues could not be part of an Interim Budget.

The Budget also included measures to update and streamline archaic transaction taxes that come under the head of “stamp duty.” Further measures provided some tax relief in the real estate sector.

Prior to the Budget, there had been steps to rationalise and simplify the GST structure. The introduction of GST had involved complex political calculations and negotiations, and it is inter-

esting to see how, once an imperfect tax structure was in place, it could be evaluated and improved relatively rapidly. The lesson here may be that this government, in particular, seems to have an eye for tweaks to the economic system that are “pro-commerce” (perhaps drawing on aspects of being “pro-market” as well as “pro-business,” as some academics have described two possible alternative policy stances).

One has to keep in mind, however, that the slow progress we keep seeing on many fronts in India is the result of a broadly shared vision of “economic reform.” The Budget speech touted liberalisation of FDI as one of its achievements, but this has been an ongoing process begun decades ago. Coming to grips with the immediate and the longer-term problems of the banking sector, and creating a modern framework for the conduct of monetary policy also have roots in the efforts of previous governments, even if there was a problem of a credit boom and associated corruption in the final years of the last government.

It is important to realise that credit and blame have to be adjusted for external factors, and that should lead one to upgrade the performance of the previous government, as well as not go overboard in praising the current one's economic policies. It is fair to say, however, that the past few years seem to have seen an attempt to stem the rot that was creeping in from excesses of crony capitalism. What remains to be seen is if the approach to governance going into the future can strengthen state institutions so that they do not involve the exercise of arbitrary power, and are more even-handed in how the rich and the poor are treated.

The Union Budget continued the process of bailing out farmers, which seems to be a perennial issue for India. Of course, the real problems are structural—inefficient and distortive policies with respect to agriculture, whether in input markets, production or output markets. Pricing, insurance, procurement, credit, marketing and technology choices all need serious policy attention. And underlying it all is the failure to create jobs off the farm and away from the rural areas.

The Budget also touted India's digital strategy. Digitisation can reduce harassment of taxpayers, improve collection efficiency, reduce transaction costs to make small business finance more effective, improve access to health and education services, and so on. It is not difficult to see that what is happening as a “Fourth Industrial Revolution.” The central government has realised the importance of these trends, but its vision and its detailed strategy seem to be inadequate, as I have argued in previous columns. Unlike health, sanitation and education, where it may make sense to push down implementation to cities and states, the creation of a national digital infrastructure may properly be a central goal.

It is important, in this respect, to avoid too much reliance on large private actors for this infrastructure (implied pun intended), while pushing aggressively and intelligently for a robust 21st century digital infrastructure to support myriad new applications.

The Union Budget displayed a maturity and rationality of thought and action in terms of basic public finance policies. Within the economic sphere, what India still needs is careful rethinking of the balances and boundaries between public and private; centralised and decentralised; economics and politics; and rich, poor and middle. It will be interesting to see if the rhetoric of the election campaign debates sheds any light on how politicians think of these fundamental underlying issues.

**It will be interesting to see if the election campaign debates sheds any light on how politicians think of the fundamental issues that need attention**

## Measuring life beyond GDP

**RAGHU DAYAL**

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GDP and productivity statistics are viewed overlooking much of what we truly value

**A** T A SESSION on ‘More than GDP’ at the 2019 World Economic Forum in Davos, New Zealand PM Jacinda Ardern argued what, of late, has been advocated by many leading economists that, while countries measure their economic growth, several other factors impacting quality of life go unmeasured. “We need to address the societal well-being of our nation, not just the economic well-being,” Ardern said.

Someone in China recently wrote a musical tribute ‘In the name of GDP’. Germany had a similar song in the 1980s—a satire on the consumption frenzy. A view has been gathering steam that progress is not measured merely in terms of GDP graphs, BOP tables or swelling foreign exchange, that GDP and productivity growth are important, but they are a means to an end, not ends in themselves.

Today, GDP and productivity statistics are viewed overlooking much of what we value, even when using a narrow economic lens. In a March 1968 oration, Robert F Kennedy decried idolatrous belief in GDP which, he lamented, did not capture “the beauty of our poetry or the intelligence of our public debate. It measures neither our wit nor our courage, neither our wisdom nor our learning. It measures everything, in short, except that which makes life worthwhile.”

Nobel laureate Joseph Stiglitz called for an end to ‘GDP fetishism’. The OECD-led High-Level Group convened by then President Nicolas Sarkozy in 2008, the Stiglitz-Sen-Fitoussi Commission led to ‘OECD: Beyond GDP: Measuring What Counts for Economic and Social Performance’ report. To capture not only aggregate economic performance, but also people's quality of life, it adopted a new motto ‘Better Policies for Better Lives’ and launched OECD Better Life Initiative, resulting in advancing the ‘beyond GDP’ agenda.

OECD Better Life Index Country Reports contains metrics (housing, income, jobs, education, health and environment, community and public engagement, life satisfaction, safety, and work-life balance) that, it is claimed, better reflect what leads to well-being. While 23 countries scored higher than the OECD average of 80%, Denmark at the top, 13 others fared below the average, with Turkey at the bottom.

It was the king of Bhutan, Jigme Singye Wangchuck, who in 1972 noted that GDP alone did not measure what people want and that “gross national happiness is more important than gross national product.” The UN General Assembly placed the concept on the global development agenda in 2011, and declared March 20 as International Day of Happiness.

The World Happiness Report (WHR) 2018 finds India 133rd amongst 156 countries, sliding from 122nd position in 2017, based on parameters like GDP per capita, inequality, life expectancy, public trust (lack of corruption in government and business), social freedom and generosity. India was among the countries that recorded sharpest decline in the score from 2005-07 to 2013-15. In 2018, most SAARC countries rank ahead of India: Pakistan (75th), Bhutan (97th), Nepal (101st), Bangladesh (115th), Sri Lanka (116th).

A similar project aimed at overcoming limitations of GDP is the Social Progress Index (SPI) launched by Michael Porter, Scott Stern, Roberto Loria and colleagues. It was evolved as a “better measure of a country's level of development.”

While it would be unrealistic to put a dollar value on stirring oratory like Kennedy's, it is relevant to understand our basic economic progress by considering seminal changes in the goods and services we consume.

As Erik Brynjolfsson and Andrew McAfee explain in ‘The Second Machine Age’, much of our increased welfare over the past century has come not just from making existing goods more cheaply. Digitisation brings a related but subtler benefit to the vast array of goods and services. E-retailing has expanded the set of goods available to consumers.

In a way, like Daniel Bell elicited the debate half a century ago by questioning the validity of humanistic ideologies, repudiating youthful idealism and baring ‘the ambiguities of theory’, ‘the complexities of life’ and ‘the exhaustion of utopia’, the concept of GDP as a criterion of a nation's well-being is under the lens. Not irrelevant it is to beckon India's ancient, classical notion of *Trivarga* (*artha, dharma, kama*) defining the goal of life, seeking a balance between them.

**GDP, productivity growth are important, but they are a means to an end, not ends in themselves**

**C**OMPLIANCE ISSUES UNDER GST do not dominate public debate to the extent revenue collections do. Discussions in GST Council meetings indicate that both the Centre and states are concerned over lower GST collections. The causes and concerns deserve an analysis with certain caveats.

The budget estimate of GST collections for FY19 is ₹13.48 lakh crore, with a monthly target of ₹1.12 lakh crore. Since implementation, GST revenues have crossed ₹1 lakh mark only thrice. A logical reason attributable to lower GST collections vis-à-vis the projections is constant reduction of rates. Two of the meetings of the GST Council were Budget-like, considering the sweep of tariff changes.

The tax rate on hundreds of items was reduced from November 15, 2017. The number of items under 28% tax slab was drastically pruned from 224 to just 50. If the commodity base of the highest tax bracket shrinks by one-fourth, then revenue consequences are unavoidable even if non-impacted high revenue items like cement are taken into account.

GST revenue for inaugural month July 2017 was ₹94,063 crore. With increased registrations, revenue was ₹93,141 crore in August and ₹95,131 crore in September 2017. Utilisation of pre-GST credits carried forward through TRAN-1 form gained momentum, reducing cash payment for taxes and October and November 2017 revenues went down to ₹83,346

## The rate effect on GST collections

Lower rates, moderate revenues, higher compliance

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crore and ₹80,808 crore, respectively. December 2017 was the first full month after massive rate changes of November and GST collections stood at ₹86,703 crore, a trend maintained with January 2018 collections at ₹86,318 crore. Despite full-fledged TRAN-1 credit utilisation and wider and deeper rate reduction, GST collections did not become erratic. The dent was modest compared to the potential impact the changes could have caused. Similar trend was witnessed when rates were reduced on several items in July 2018 as GST revenue went down from ₹96,960 crore in July to ₹93,960 crore in August.

The reason behind revenue shortfall was officially explained as IGST being paid on intra-company, but interstate supplies

and later when final supplies fructified, credit of the same was utilised, reducing net tax collection. The fall in overall incidence on most commodities and increase in ITC claims were also cited. As per a press release issued in September 2018, one of the main factors for the dip in revenues was probable postponement of sale of items for which tax rate was reduced in July; the time taken for the market to pass on the benefit and postponement of buying decision by consumers expecting the rate reduction benefit.

Going forward, the top slab of 28% will cover only luxury and sin goods, and rates of 12% and 18% may be merged and brought to 15%. All services attract uniform single rate of 18% and if the rate is



brought to 15% across the board, a significant impact on revenues is not ruled out. Tweaking tariffs alone may not help in pushing revenues beyond ₹1 lakh crore month after month consistently.

Liberalising credit availability in certain situations as per recent amendments will effectively reduce payment of tax by cash and pull down growth in revenues further. However, non-GST revenues like excise and VAT on crude, petrol, diesel, natural gas and ATF, along with stamp duty on real property, also need to be reckoned when tax revenues are analysed. When rates are reduced coupled with procedural relaxations, compliance tends to improve. This, along with higher consumption, can have a positive effect on growth of tax rev-

enues as well. Taxpayer base and enforcement of tax rates, tax payer base and enforcement.

### Widening the base

In February 2018, registrations under GST were 1.03 crore comprising of 87.03 lakh normal taxpayers and 16.42 lakh composition taxpayers. This represented a good increase vis-à-vis those who migrated from pre-GST regime, which stood at 64.42 lakh. As on December 2018, 1.16 crore taxpayers have obtained registration. If one were to reckon 17 lakh voluntary registrants despite being below threshold limit, the increase in the number of taxpayers reflects success in mainstreaming the unorganised.

As per return filing data, there was 50% increase in the number of indirect taxpayers (January 2018). As per Economic Survey 2017-18, there were 98 lakh unique GST registrants (slightly more than those under pre-GST regime). However, the percentage of those who obtained registration but did not file return and did not pay tax stood at 14.21% in July 2017, jumping to 28.75% in November 2018. Among composition taxpayers, 15.03% were non-filers in July-September 2017 as compared to 25.37% in July-September 2018.

Cessation of business could be a reason for default in filing returns and tax payment. Compulsory migration of VAT dealers with a meagre turnover could be another reason. The decision to increase threshold limit to ₹40 lakh will mean contraction of the base but without major

impact on revenues. Resolving issues like technical glitches, lack of exposure of trade to IT systems and absence of robust offline utility, along with preference for purchases from registered vendors for ITC benefit and voluntary registration of small business, can be the drivers to widen the base.

### Tax evasion

During April-October 2018, evasion of ₹38,896 crore was reportedly unearthed. Availing input tax credit without receipt of goods continues to be widely reported. Non-reporting of supply resulting in outright evasion, under-reporting of output by mis-declaration and undervaluation leading to lesser revenue and fraudulent reporting to confer undue ITC benefit to recipient are not new. Such *modus operandi* was prevalent in earlier regimes as well. But GST being a new tax, avoidance is being looked at with new eyes.

As compliances are online, access to data is seen as the reason for the higher figure of revenue leakage getting reported. When tax rates converge towards the median rate, incentive to evade shrinks. System-based verification, matching between parties for ITC and making recipient also liable to tax if supplier defaults may check evasion. Scrutiny of returns and audit of records by the department have not yet started. These checks aided by data analytics can be effective in deterrence. Use of data on tax compliance behaviour may also bring moderate success in plugging revenue leakage.









## Major terror attacks in J&K

- February 10, 2018**  
Terrorists attack the Sunjuwan Army camp. Six soldiers and one civilian were killed.
- August 26, 2017**  
Three terrorists storm the District Police Lines, Pulwama, killing eight personnel before being shot.
- November 29, 2016**  
Three terrorists attack an Army artillery camp at Nagrota. Seven soldiers were killed before the terrorists were eliminated.
- September 18, 2016**  
Four Pakistani terrorists infiltrate an Army camp in Uri killing 18 soldiers. Most of them were sleeping. The incident led to reprisal surgical strikes.
- June 25, 2016**  
Terrorists open fire on a CRPF bus at Pampore on the Srinagar-Jammu National Highway, killing eight jawans.
- June 3, 2016**  
Terrorists target a CRPF bus at Pampore, killing two personnel before taking refuge in a government building. A two-day encounter ends with the terrorists being killed at the cost of two officers, three soldiers and a civilian.
- December 5, 2014**  
Six heavily armed terrorists storm an army camp at Mohra near Uri. Ten soldiers were killed in the gun battle with intruders all of whom were shot dead.
- June 24, 2013**  
Terrorists ambush a bus carrying unarmed Army personnel at Hyderpora in Srinagar. Eight soldiers were killed in the attack.
- July 19, 2008**  
Ten soldiers were killed by an IED planted by terrorists along the Narbal road on the Srinagar-Bara-mulla highway.
- November 2, 2005**  
A suicide bomber blew up his car at Nowgam, near the private residence of the then chief minister Mufti Mohammad Sayeed, killing three policemen and six civilians.
- July 20, 2005**  
A suicide car bomber rammed a vehicle of the security forces, killing three personnel and two civilians.
- June 24, 2005**  
Nine soldiers were killed in a car bomb triggered by terrorists on the outskirts of Srinagar.
- August 4, 2004**  
Nine CRPF personnel were killed in a terrorist attack on their camp at Rajbagh in Srinagar.
- July 22, 2003**  
Eight soldiers, including a Brigadier, were killed and several senior officers were injured in a terrorist attack on an Army camp in Akhnoor.
- June 28, 2003**  
Nine soldiers, including an officer, were killed in a suicide attack by terrorists on Sunjuwan Army camp.
- May 14, 2002**  
In one of the biggest strikes on an Army installation, 36 persons were killed by three terrorists who stormed the Kaluchak Cantonment in Jammu.
- November 17, 2001**  
Terrorists storm a security forces base in Ramban killing 10 personnel. Four terrorists were also killed.
- October 1, 2001**  
Terrorists trigger a car bomb in front of the old Legislative Assembly Complex in Srinagar. As many as 38 persons were killed while three assailants were also killed.
- August 10, 2000**  
Terrorists hurl a grenade at the Residency Road in Srinagar. As the security personnel assembled at the spot, they triggered a car bomb killing 12 persons including a photojournalist.

— Compiled by Vijay Mohan



Tricolour-draped coffins of the jawans during a wreath-laying ceremony



CRPF personnel at Hyderabad remember their colleagues lost in the attack



Kin of Sanjay Kumar Singh pay him their last respects before the funeral



Muslims raise anti-Pakistan slogans during a protest in Mumbai



Mother (R) of Bablu Santra, a CRPF personnel, mourns at Bauria village in Howrah



An entire Ropar village turned up to mourn the death of Kulwinder Singh

# Address issue at all levels

The suicide bombing took place in spite of intelligence, combat drills & area sanitisation

VIJAY MOHAN IN CHANDIGARH

A NUMBER of standard operating procedures (SOPs) exist. Voluminous instruction manuals exist. Structured training regimen exists. Intelligence inputs and advisories stream in. But when incidents like the recent one in which the Central Reserve Police Force (CRPF) lost 40 men to a suicide car bomber at Pulwama when its convoy was moving along in the strife-torn state take place, it points towards a lapse somewhere.

A comprehensive SOP on the movement of convoys in troubled areas, which are vulnerable to attack by IEDs or gunfire, is in place. The route is sanitised by a road opening party (ROP) before a convoy is allowed to move. The ROP checks for IEDs and other hazards and maintains a dominating presence along the route. Places of halts en route are also cordoned off. Escort vehicles with armed personnel, their number depending upon the convoy's size, are also deployed.

In the February 14 incident, an explosive-laden vehicle, moving along the same route, was rammed into a CRPF bus by a suicide bomber. According to CRPF officers, the earlier practice of closing the route for the passage of convoy was done away some time back, and civilian vehicles are allowed to pass along. This, they say, proved to be the weak link.

"It is virtually impossible to defend against such an attack, however strictly the convoy movement SOPs are followed or well armed and trained the troops are. There can simply be no inking as to what

the driver of a seemingly normal vehicle moving like regular traffic, may suddenly do," says AS Sidhu, a former CRPF Inspector-General, who has served in Kashmir.

Some reports say that 300 kg of explosive was used in the attack. There are also reports of an intelligence input, though vague and generalised, cautioning against the use of IEDs.

"The planning and execution of the attack shows the manpower and material used in the attack has implications, which are required to be addressed at all levels, i.e. intelligence, active combat drills on counter insurgency and area sanitisation, especially along the highways, and zeroing in on local youths who are missing and known to have joined the anti-national outfits," says Rajeev Anand, a former para-military officer who has served in Kashmir during peak terrorism period from 1999-2000.

The CRPF, the largest armed police force of the country with 246 battalions, handles a wide range of duties covering law and order, counter-insurgency, anti-militancy and anti-Naxal operations. Close to 80 per cent of the force is deployed in militancy-affected states. According to sources, 90 battalions, about 38 per cent of the force's executive battalions, are engaged in combating Left-wing extremism and 61 battalions (26 per cent) are deployed in Jammu and Kashmir. Another 36 battalions (15 per cent) are deployed in the NorthEast. There are about 600 CRPF camps in Jammu and Kashmir.

A structured training mechanism exists

in the CRPF and personnel are required to undergo various specialised courses or orientation programmes before being approved for promotion at different hierarchical levels or for being deployed for particular tasks. Personnel headed for Jammu and Kashmir go through a seven-week-long pre-induction training aimed at improving physical fitness and tactical proficiency for facing terrorism challenges in the Valley. They are also familiarised with the ever-changing modus operandi and strategy adopted by adversaries.

Rotation training of one CRPF company per battalion is a regular feature of the force for maintaining proficiency levels and updating professional skills of the jawans. Rotation training often gets hampered due to the requirement of training companies for various unforeseen law and order assignments. "Almost 98 per cent of training companies remain deployed on various short-term law and order assignments across the country. This continuous deployment of training companies affects the overall operational efficiency of the force, besides denying troops the much-wanted training and rest and recuperation," observed a report tabled by Parliament's Standing Committee on Home Affairs in December 2018.

The report also observed that CRPF personnel are deployed for prolonged duration in remote, inaccessible and inhospitable areas. The total peace area postings or locations are about 10 per cent only. More than 80 per cent of the CRPF personnel cannot avail of holidays and Sundays. Naturally, inadequate training and rest impacts human efficiency.





# Diplomatic isolation in bits & pieces

Govt's verbal slugfests do not achieve much

SANDEEP DIKSHIT IN NEW DELHI

IF External Affairs Minister Sushma Swaraj was prescient while speaking in Parliament a week before the Pulwama attack, she would have eschewed the part commending the Indian diplomatic community for getting Pakistan "successfully blacklisted by the comity of nations". The talk of diplomatically isolating Pakistan entered the governmental lexicon in January 2016 after a spate of attacks rocked the government's equanimity. Since then, the only two successes chalked by Indian diplomacy is getting Pakistan blackballed by the Financial Action Task Force and preventing it from hosting the SAARC summit, which was in the nature of a self-goal, for the move has wrecked the organisation that India had created.

Since then, there have been pyrrhic victories or even verbal slugfests touted as diplomatic wins such as young Indian diplomat Eenam Gambhir berating Pakistan as "Terroristan". Pakistan has, in the past, endured such barbs from more powerful countries and bigger statesmen like John McCain and Barack Obama.

There are many tools for isolating a country and diplomatic isolation of the kind India professes to practice would rank as the lowest on the scale. The successful deployment of policy tools hinges on the offending country's economic and military power, besides its interconnections with the target country.

The attempt at isolation is long drawn out and the outcome is unpredictable. Venezuela and Iran are two test cases where the US is attempting a regime change by strangulating their economies. As India-Pakistan ties are skeletal, all that New Delhi had to be content with is withdrawing the Most Favoured Nation status.

If Sushma Swaraj was correct in stating in May last year that Pakistan is trying to reach out to India because it senses isolation on the issue of terrorism, Islamabad wouldn't have managed to gather representatives or ships of 46 countries for a five-day multinational exercise that ended a week back.

And while the foreign office talks of diplomatic isolation, it later emerged that the national security advisers of both countries had secretly met. Pakistan even managed to cadge generous assistance from Saudi Arabia, which is now said

to be in India's corner on the strength of PM Modi's personal chemistry with the sheikhs of West Asia. Diplomatic isolation also does not cut ice with other countries when India not just keeps alive the back channels of communication, but also sends two union ministers to Pakistan for the Kartarpur project ceremony.

India needs to spell out, like the US or Russia, what exactly does diplomatic isolation mean? Is it hot words at international meets or a sustained multi-dimensional effort with an end goal in sight? Does the UNSC blacklisting of Masood Azhar achieve anything? The US has, in the past, put hundreds of Taliban fighters on the UNSC blacklist only to pull some of them out when it felt the need to negotiate a settlement.

The end game of demolishing terrorist headquarters at Muridke (Hafiz Saeed) and Bahawalpur (Azhar Masood) and killing both the leaders entails a degree of ruthlessness, pain and risks an embarrassing blowback. Is Modi up for it? He should have in mind that his "dear friend" Benjamin Netanyahu owes his political longevity in part to his older brother's heroics in rescuing Israeli hostages from a hijacked plane at Entebbe. Or that Barack Obama's path for re-election was smoothed by the capture of Osama bin Laden. That, however, means moving from diplomatic isolation to military action, firm in the belief that the diplomats have insured against any other country coming to the offending country's aid as was the case with Iraq under Saddam Hussein.

If India's past wars are any guide, Pakistan was not exactly friendless during the 1965 and 1971 hostilities. In 1971, the Shah of Iran supplied military equipment as well as diplomatic support against India. In 1965, Indonesia offered to seize Andaman and Nicobar Islands to spread Indian forces thin. But Kargil provided a different benchmark. Hardly any country spoke in favour of Pakistan. In the end, US President Bill Clinton browbeat Nawaz Sharif into handing back mountain peaks that hadn't been recaptured by the Army. As long as a former Pakistan military chief heads the 41-nation Islamic Military Counter Terrorism Coalition, the sledgehammer approach is unlikely to work. The limited conflict of Kargil and the preceding diplomacy makes one long for the measured escalation of those days by the trio of Vajpayee, Jaswant Singh and Brajesh Mishra.



## JeM surge, Afghanistan, a Valley in turmoil

AJAY BANERJEE IN NEW DELHI

MULTIPLE scenarios are emerging in Kashmir — some scripted by the Pakistan army, others stemming from the evolving status of Afghanistan where Taliban is being 'mainstreamed', thanks to the US, Russia and China bringing their versions of what should define 'peace' in the troubled country.

On Thursday, an explosive-laden vehicle driven by a suicide bomber had rammed into a CRPF convoy in Pulwama killing 40 personnel. The style is similar to attacks carried out by the 'Islamic State' and the Taliban. For India, its security forces and the people of Kashmir, such suicide attacks threaten to become the new normal. And that is a reason to worry, says a serving Army officer, who has recently commanded a unit in Kashmir. An explosive-laden vehicle can be rammed literally anywhere and "predicting it would be impossible", he says.

While a car explosion occurred in the

The Pulwama attack is a desperate bid by the JeM to insist upon its relevance as most major local terrorists have been wiped out by the Army in its operations in the past 24 months

Valley after 15 years, Pulwama was the single biggest attack in terms of casualties in the three decades of Pakistan-backed terrorism here. Experts are warning that if not handled deftly, this could turn the Valley towards even more violent times. They are also cautioning against the Pakistan army's narrative of local Kashmiris carrying out attacks. Kin of South Kashmir's Adil Ahmed Dar, the suicide bomber in Pulwama attack, and his village have been reported in the media as cementing the Pakistan-script of 'local boys'. A pre-attack video of the

Jaish-e-Mohammed (JeM) and Dar furthers the narrative. The use of locally available commercial explosives in the attack, similar to those used in mining, emphasise upon the 'local boys' narrative.

Lt Gen Vinod Bhatia (retd), a former Director General of Military Operations (DGMO), counters the local boys' theory: "The youth who carried out the attack was just driving the vehicle. The attack was planned, scripted and directed by the Pakistan army using the JeM." Locals are lured through a mix of radical ideology and promise of handsome payment to their families, says the former DGMO who now heads the think-tank Centre for Joint Warfare Studies.

Pulwama terror attack is also a desperate attempt by the JeM to show its relevance after all major local terrorists have been wiped out by the Army in its operations in the past 24 months. Lt Gen Sanjay Kulkarni (retd), former Director General Infantry, says: "The Inter Service Intelligence (ISI) of Pakistan is arranging logistics for the JeM to exe-

cute attacks in Kashmir." It also indicates that the JeM, led by Masood Azhar, wants to insist upon its importance. Azhar was released from Jammu jail in a swap for passengers from IC 814 during the Kandahar hijacking of 1999. The attack on Pathankot air base in January 2016, at the Uri military camp in September 2016 and Nagrota military camp in November 2016, all have been carried out by the JeM. "Technology enables immediate relay of information by sympathisers to attackers," says General Bhatia, while adding that convoys will have to keep moving.

### The Afghanistan imbroglio

A spillover of developments in Afghanistan into Kashmir is another worry. In 1989, when the Soviet forces exited Afghanistan, Kashmir faced the first brunt from the 'Mujahids', trained and armed by the US to drive out the Soviet Army. Pakistan army chief-turned-president General Zia-ul-Haq's 'K2' plan — was put into action and the Kashmiri Pandits were

hounded out of the Valley amid mindless killings. Punjab, by then, was already burning.

Post 9/11, things changed. Afghanistan-based groups were busy fighting the US and its allies. However, in 2019, change is coming. The forces of western powers are set to withdraw. Center for Strategic and International Studies, a US think-tank, has said: "A precipitous withdrawal of our (US) security forces, our financial support for the Afghan army, and our foreign aid would be a moral disaster and strategic setback for the United States."

General Kulkarni warns that if the US pulls out of Afghanistan, Pakistan "would want the Taliban to train its guns on India". Experts assess that Afghanistan has around 45,000 armed fighters. General Bhatia fears "a 1989 kind of blow back into Kashmir." India is uneasy to say the least.











