

National Seminar on '*Political economy of Terrorism in Jammu and Kashmir*' (3-4 June 2019)

Concept Note:

The political economy of Jammu and Kashmir State that has been caught in the situation of armed militancy and separatism for last three decades now, reflects a very complex and paradoxical nature. It is a backward economy characterized by 'predominance of agriculture sector', 'low degree of urbanization', 'inadequately developed infrastructure', 'widespread illiteracy' and 'low levels of investment'. (Planning Commission, 2003, *Jammu and Kashmir Development Report*) Due to its remoteness, poor connectivity and the context of security situation, it has been struck up with the 'backwardness trap' that keeps it in a condition of 'low employment and low income generation' (Report of the Task force, 2006). However, compared to other states, this state reflects much better situation in terms of the level of poverty and standard of living. As per the Statistical Digest of Jammu and Kashmir, the poverty figures for this state in 2011-12 were 10.4% which was much lower than the all-India poverty figure of 21.9%. Assessed from the perspective of the income level, the state presents a relatively better picture, compared to many other states. On the whole, despite the disruptions due to the situation of militancy, one can see a flow of money in the state in general, and Kashmir Valley in particular. Paradoxically it seems that the adverse economic conditions during the period of militancy did not adversely impact all kinds of people in Kashmir and while a large number of people were negatively impacted, militancy also created a sort of affluence for certain classes. This paradox raises important questions about the political economy of Kashmir in general and about the political economy of conflict situation in particular.

However, notwithstanding the benefits of radical land reforms and other pro-people policies in the early post-1947 period, the condition of large number of people has remained at the subsistence level and economy of the state in general, has remained crisis ridden. Before the period of

liberalization, it was clearly characterized as a 'dependent economy' surviving on the basis of subsidies and concessions on the one hand and grants and loans from the centre on the other. It could not also take the advantage of liberalization as this period coincided with the period of militancy and hence the benefits of the growing economy which brought about radical changes in rest of India, bypassed this state completely.

How did the situation defined by armed militancy and separatism impact the people in Kashmir? Paradoxically, the adverse economic conditions, notwithstanding, all sections of society were not affected in the similar manner. That there was sufficient affluence in Kashmir was reflected by the unending construction process throughout the period of militancy. The city of Srinagar got expanded on all sides and new housing colonies, multi-storey houses, shopping malls and shopping areas came up. The property prices meanwhile increased tremendously. That there has been a flow of money gets clearly reflected when one visits Kashmir. It is a different matter that this flow of money has not benefited Kashmiris in an even manner. Besides the top class of wealthy Kashmiris, many of whom are dealing with handicrafts business, hoteliers, exporters, orchard owners etc, there is certainly the emergence of an affluent middle class and also a class of 'new rich'. The sudden emergence of this class of 'new rich' is often the point of conversation in Kashmir as it appears to have upset the traditional class relationship.

It is in this context of the complexity and paradox that this seminar was organized. It raised pertinent questions related to political economy of conflict situation in Jammu and Kashmir in general and political economy linked with militancy and separatism, in particular. While understanding the nature of political economy of the state in the pre-militancy period, it aimed at analyzing in details the impact of militancy on the economy of the state from various perspectives. Among the pertinent questions that were raised included those related to the liberalization process and its implications for the state. Since liberalization process coincided with the

period of militancy, an attempt will be made to develop a nuanced understanding of the economic development in the period after 1990 and the state's isolation vis-a-vis the growth story of India. One important focus of the seminar was the parallel economy that has evolved in the conflict situation of the state, particularly in the period of militancy. What has been the response of the government in dealing with Hawala channels and how far these have been successful? Particularly, what has been the impact of demonetization process on dealing with militancy and separatism. Discussion revolved around the flow of money and the consequent unevenness in the society. The seminar also focused on the Cross-LoC Trade and analyzes its efficacy as a political CBM and its implications for the underground economy that it might be generating and its security implications. The seminar tackled the questions of transparency, accountability and corruption in the situation of conflict. One major goal of the seminar was to address the question related to improvement of the efficacy of the anticorruption institutions in the state. Lastly, the seminar analyzed the economy of the state from the perspective of weak infrastructure. It specifically focused on the nature of economic development since the announcement of Prime Minister's development package amounting to 80,000 crores in 2015.

A National Seminar on '*Political economy of Terrorism in Jammu and Kashmir*' was organized at IIAS from 03-04 June, 2019. Professor Rekha Chowdhary, Fellow, IIAS was the Convener of this seminar. Professor Makarand R. Paranjape, Director IIAS, delivered the welcome address. Inaugural address was given by Major General Dhruv Katoch, Director, India Foundation and Valedictory Lecture was given by Lt Gen. D S Hooda, Former General Officer Commanding-in-Chief of the Indian Army's Northern Command. Professor Rekha Chowdhary, Convener of the seminar delivered the Vote of thanks.

Participants:

- Ms. Sadaf Gul, Islamic University of Science & Technology, J&K

- Mr. David Devdas, 90 A, Pocket F, Mayur Vihar, Delhi
- Ms. Aarti T. Singh, C-12, Ground Floor, Nizamuddin East, New Delhi
- Ms. Ellora Puri, Department of Political Science, University of Jammu, Jammu
- Professor R.L. Bhat, Central University of Jammu, Jammu
- Dr. Ashok Bhan, 26/6 Channi Himmat, Jammu, J&K
- Shri Sarral Sharma, Institute of Peace & Conflict Studies, Delhi
- Shri Rayan Naqash, Iqbal Colony, Zainakote, Srinagar
- Dr. J. Jegathan, Department of National Security Studies, Central University of Jammu, Jammu
- Ms. Deepika, Department of Political Science, Shivaji College, University of Delhi, Delhi
- Maj. Gen. Dhruv Chand Katoch, India Foundation, New Delhi