

Retrieving PoJK from Pakistan

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India as major Defence manufacturing hub

'Make-in-India' and 'Make-for-World' approach is the new buzz line of new India as India signed with Airbus Defence and Space to procure 56 C-295 aircraft, worth Rs 21,935 crore, to replace the IAF's ageing Avro-748 planes of 1960's. First 16 aircraft will be delivered between September 2023 and August 2025 in 'fly-away' condition from Airbus's assembly line in Seville at Spain and the subsequent 40 aircraft will be manufactured by Tata Advanced Systems Ltd (TASL) at Vadodara plant between 2026 to 2031 in India as part of mutual agreement. The C-295 aircraft are special transport aircraft of 5-10 ton capacity with latest technology, has a maximum speed of 480 kmph with a rear ramp door for quick reaction and para-dropping of troops and cargo, capable of short take-off and landing from semi-prepared surfaces and Advanced Landing Grounds (ALGs). C-295 plane is used for tactical transport of up to 71 troops or 50 paratroopers, for logistic operations to locations that are not accessible to current heavier aircraft, can also be used for casualty or medical evacuation as well as for special missions for disaster response and maritime patrol duties. With this deal Indian private sector has entered into the technology-intensive and highly competitive aviation industry as over 13,400 parts, 4,600 sub-assemblies and all the seven major component assemblies of the aircraft will be done in India, only engines, landing gear and avionics will be provided by Airbus to be integrated at Vadodara plant which will have capacity of approximately 96% of the work that Airbus does in Spain to produce the plane. It's matter of strategic importance and pride that for the first time C-295 aircraft will be manufactured outside Europe and subsequently it will be exported to other countries and private players. State-run Bharat Electronics Ltd and Bharat Dynamics Limited will provide an indigenous electronic warfare suite to be fitted in all 56 aircrafts. The project will be capable of generating 600 highly skilled jobs directly, over 3,000 indirect jobs and an additional 3,000 medium-skill employment opportunities with more than 42.5 lakh man-hours of work within the aerospace and defence sector, in addition, approximately 240 engineers will be trained at the Airbus facility in Spain.

Manufacturing of C295 aircraft in Vadodara will not only give strength to the military but it will also create an aerospace ecosystem, a milestone in India's quest for becoming self-reliant in defence as GOI aims to achieve a turnover of USD 25 Bn including export of USD 5 Bn in Aerospace and Defence goods and services by 2025. Already India is exporting defence equipment to 75 countries with defence exports growth of 334% achieved in the last five years. Fact is India is the 3rd largest military spender in the world, with its defence budget accounting for 2.15% of the country's total GDP. Government has also established two Defence Industrial Corridors in Uttar Pradesh and Tamil Nadu, with Uttar Pradesh Defence Industrial Corridor (UPDIC) signing 69 MoUs with potential investment of Rs 10,545 crore and Tamil Nadu Defence Industrial Corridor (TNDIC) 42 MoUs having investment potential of Rs 11,359 crore. Such Government initiatives have reduced the expenditure on defence procurement from foreign sources to 36% from 46% of the overall expenditure in the last four years, a really big achievement by any standards. Make-I (Government Funded) and Make-II (Industry Funded) policies are already in place.

Success has no shortcuts but with so many incentives and all these initiatives already in place, time is not far away when India will become major international defence exporter. With all requisite parameters and kind of exposure Indian firms are getting as well as keeping in view talent pool of India, PM Modi's dream of India becoming 'Vishwa Guru' is not far away now.

e-Governance Awards

National awards are a way-out to recognize and reward the persons, departments or institutions for their excellence in various fields and e-Governance award is one of them, presented every year for exemplary implementation of e-Governance initiatives to recognize and promote excellence. Srinagar district got Gold Award for Project Initiative 'Gaash' under the category of 'Excellence in District Level Initiative in e-Governance' for e-Governance Scheme 2021-2022. The initiative of the Srinagar District Administration with special emphasis on gamified learning in the age group of 12 years to 18 years got much success as several students, as well as teachers, showed enhanced interest in the project resulting in the overall improvement in academic performance. Through the project Gaash, the students were able to understand basic concepts in science and mathematics very easily in comparison to normal classroom transactions and it proved very helpful in making education more effective while being enjoyable through gamification of conceptual content. It not only provide comprehensive understanding of learning outcomes for all stakeholders in education - schools, parents, but it also made students aware of importance of studies with cutting-edge technology to help them realise their full potential. Use of digital technology in pursuing next generation reforms and innovations by adopting emerging technologies and use of ICT Management are the need of the hour in competitive world.

District Ramban, has been conferred Silver Award under the prestigious National Awards for e-Governance for the year 2021-22 for achieving 'Excellence in District Level Initiative in e-Governance' under its project e-SuvidhaRamban. Award carries a certificate, trophy and a cash award of Rs 3 lakh for the Department and will be formally conferred to the district at the 25th National Conference on e-Governance scheduled to be held at Shri Mata Vaishno Devi University Campus, Kakryal (Katra) on November 25-26, 2022.

Such novel ideas and their implementation are the hallmark e-Governance initiatives as such DCs of Srinagar and Ramban along with all the officials involved deserve the credit, special appreciation to NIC team of District Ramban for conceiving the interactive application which did wonders in facilitating people and also provided jobs to skilled and educated youth of the district. All other districts must put renewed efforts and avail the opportunities to be among the best of India.

Addressing Infantry Day function in Srinagar on 27th October, Defence Minister Raj Nath Singh said that India is committed to implement the 1994 resolution passed by Parliament about retrieval of Pakistan occupied Jammu and Kashmir (PoJK) under illegal occupation of Pakistan. He pointed out that Pakistan government is sowing seeds of hatred in PoJK and time is not far when people will resort to mass rebellion there. Government of India is also aware that people there are being deprived of all basic rights, he said.

These illegally occupied areas of the then princely state of Jammu and Kashmir comprise about thirty five per cent of its total area and India last year called on Pakistan to vacate all the Indian areas under its illegal occupation since 1947 on which it has no locus standi. By virtue of accession of the ruler of the then princely state of Jammu and Kashmir Maharaja Hari Singh to India in 1947, sovereignty of the whole erstwhile State of Jammu and Kashmir lies wholly and solely with India.

Time appears to have come for Pakistan to introspect deeply and reflect on its illegal actions in these illegally occupied parts of now union territories of Jammu and Kashmir and Ladakh. Steeped in abject poverty and backwardness, this illegally occupied area is still considered to be the most neglected area in whole of South Asia. Despite violent protests by people at every stage, Pakistan has illegally, forcefully and through underhand means changed frontiers and composition of these areas beyond recognition. After illegally occupying the areas following an aggression on the then princely state of Jammu and Kashmir in 1947, Pakistan established an administrative structure in the occupied area named as Azad Jammu and Kashmir government. Even though with a nominal legislature, the government there continues to be under strict control of Pakistan govern-

ment. During late seventies of last century, Pakistan started to take steps to bifurcate the subsequently extended occupied areas in two parts, one it had already named as Azad Jammu and Kashmir and the other as Northern Areas comprising Gilgit-Baltistan, which it had deemed to be a separate geographical entity to be administered federally by Pakistan. The Northern Areas is mostly inhabited by shia muslims and Pakistan also initiated steps

ignored all opposition and continued to resort to illegal means including torture to make it a federally administered area with nomenclature as Northern Areas.

Earlier too in utter disregard for law and territorial integrity and sovereignty of India, Pakistan had ceded Shakasgam track territory in this illegally occupied Northern areas to China when Sino-Pak Frontier agreement was signed in 1963. It has also since annexed Chitral, Hunza and Nagar and other territories in or around Northern Areas including Puniel, Ishkoman and Yasin which formed a part of the then princely State of Jammu and Kashmir or were under its suzerainty at the time of its accession to India in 1947.

Pakistan again changed the status of Northern Areas on twenty first May in 2018 when it promulgated Gilgit Baltistan Order replacing its earlier Gilgit-Baltistan empowerment and self-government order of 2009. Under the new Order all powers exercised by Gilgit-Baltistan Council were given to Gilgit-



for demographic change in the area. This resulted in violent protests by the people. Even so-called Azad Jammu and Kashmir government too protested tooth and nail against this bifurcation and also instituted a suit in its court. But so great was Pakistan's urge to keep the fruits of aggression and to extend the borders of Pakistan illegally that it

Baltistan Assembly. But the Council was retained as advisory body for federal functions with regard to the Northern Areas. Thus legislative powers on key subjects are vested in the Prime Minister of Pakistan and not in the elected Assembly. There were protests against this order not only in the area, but at many places in Pakistan also. This

reform package was seen as a precursor to attempts by Pakistan to make this area as its fifth province as also to change its demographic composition.

This perception was confirmed when in 2020 the then Pakistan Prime Minister Imran Khan announced provisional provincial status for the territory.

Again in violation of international law and sovereignty of India and amid strong protests by people in Pakistan occupied Jammu and Kashmir, Pakistan permitted China to run China Pakistan Economic Corridor Project which passes through this Gilgit-Baltistan territory. Even the UN Economic and Social Commission for Asia Pacific in its report in May 2017 stated that the CPEC Project could create geo-political tensions with India and lead to further instability in the region. Though reportedly prepared at the request of the Chinese government, the report also pointed out concerns about its social and environmental safeguards. Provision of proposed provincial status to Northern Areas by Pakistan appears to be an attempt to lend legal cover to the much criticised CPEC Project which runs through Gilgit Baltistan, an Indian territory.

India has already strongly protested against this yet another severe illegality of Pakistan. Defence Minister of India has now made it clear that India is committed to retrieve these illegally occupied areas of India. Obviously if Pakistan still chooses to continue to hold on illegally to these areas of Union Territories of Jammu and Kashmir and Ladakh it will mean continued violation of sovereignty and territorial integrity of India. This will lead to more instability in the region. For overall development, India desires peace with Pakistan, but Pakistan's action could lead to one more war over Jammu and Kashmir which could be far more dangerous.

(The author is former IIS Officer and freelance journalist)

Time to stabilise Indian Rupee

Nantoo Banerjee

Reserve Bank Deputy Governor T Ravi Sankar is absolutely right to say that there is no alternative to the internationalisation of Indian Rupee (INR) despite the domestic monetary challenges it will pose. The use of INR in cross-border transactions is expected to mitigate currency risks for Indian business. It will reduce the need for holding large foreign exchange (forex) reserves. At the same time, a globally exchangeable INR will make India less vulnerable to external trade and financial shocks while it will add to the bargaining power of Indian businesses. "Internationalisation (of INR) will make monetary policy more challenging, but compromising on growth is not an optimal choice," Ravi Sankar said.

However, the RBI deputy governor did not explain what is holding India back in making INR an acceptable currency for global transactions. Only last month, the International Monetary Fund (IMF) projected India as the world's fifth largest economy, overtaking the United Kingdom (UK). The country's GDP is now behind only the United States (US), China, Japan and Germany. A decade back, India was ranked 11th among the large economies while the UK was at the fifth position. Even smaller economies such as Mexico and New Zealand have placed their respective national currencies as global trading currencies.

India is among the world's top 13 importers and exporters. And, yet its currency remains soft, struggling to maintain its value in relation to other currencies with its low demand in the forex markets. Global hard currencies rarely depreciate suddenly or fluctuate greatly in value. The world's major trading currencies are: US Dollar, Euro, Japanese Yen (JPY), British Pound Sterling (GBP), Australian Dollar (AUD), Canadian Dollar (CAD), Swiss Franc (CHF), Chinese Yuan (Renminbi; CNY), Swedish Krona (SEK), New Zealand Dollar (NZD), and Mexican Peso (MXN). The US and Euro are the world's most preferred foreign currencies.

A major trading currency is also linked with the nature and volume of foreign trade of a country, its trade and current account balance. The latter stands for the trade balance plus net factor income such as interest and dividends from the country's investments abroad, earnings from services, freight and insurance from international trade and workers remittances. While India is one of the world's major importing countries along with the US, China, Germany, Japan, the UK, the Netherlands, France, Hong Kong, South Korea, Italy and Mexico, its

improve its current account balance to GDP ratio. And, this can be done through some changes in its export-import policy, increased domestic production, stronger insurance facility, more imports on f.o.b and exports on c.i.f basis. India has fared extremely well in receiving foreign remittances. Last year, the country received US\$ 87 billion in remittances, the highest among countries and way ahead of other major receivers such as China and Mexico.

Despite continuing devaluation of Rupee vis a



export ranking stands well below at 13th. The country has been near constantly running high trade and current account deficits although in terms of current account balance as a percentage of GDP, India fares well compared with several advanced economies, including the US and UK.

In 2020-21, the current account balance to GDP ratio in India was one percent. This was an increase from about negative one percent in the previous fiscal. India's current account to GDP ratio is, however, expected to reach -2.60 percent by the end of this year, according to Trading Economics global macro models and analysts. India must try to

vis US\$, INR still holds well relative to peers when its performance is compared since the beginning of the fiscal 2022-23. INR depreciated around eight percent. The demand of US\$, the world's most preferred currency, rose due to a combination of rising global inflation, geopolitical instability and the consequent risk-off sentiments. Both emerging and developed market economies have been under pressure from the rising strength of US\$. Even currencies such as Euro, Pound Sterling, Yen, South Korean Won, Thai Baht and Chinese Renminbi are down between 14 and 20 percent. In comparison, INR looks more stable though

its long term stability still remains a question because of its rising dependence on imports, growing trade deficits and focus on foreign hot money flow to artificially pep up RBI's forex reserves and stock indices.

A strong emphasis on domestic manufacturing is bound to improve INR's stability. China has set the best example in this space. Around 95 percent of China's exports in 2021 were concentrated in manufactured goods. Machinery and vehicles was the largest group (48 percent), followed by other manufactured products (39 percent) and chemicals (eight percent). China's largest imports were also in machinery and vehicles (38 percent of total imports) followed by raw materials (16 percent), other manufactured products (14 percent), energy (13 percent) and chemicals (10 percent). While energy tops India's import basket, followed by electronics and gold, machinery and raw materials for manufacturing stand rather lowly. A focus on domestic manufacturing and export of manufactured products will have a substantially positive impact on its export-import trade and consequently on the strength of its currency. And, a better inflation control will further help stabilise INR.

Finally, it may be worth taking a speculative risk of monetary challenges that may be linked with the internationalisation of INR. To transform INR into an international currency, RBI and the Government must work together to stabilise the value of Rupee. That is very important, for now. If rupee is used for international trade and monetary transactions by interested countries and forex traders around the world, it will help reduce India's trade deficit and strengthen its position in the world market. RBI has, in a circular on July 11, has permitted international trade settlement in INR. It also permitted trading partner nations to invest "surplus balance" in government securities. This is certainly an encouraging step for converting INR as a global and reserve currency. Conversion of any currency into forex always involves a speculative risk. To make INR a global currency, the risk is worth taking. (IBA)

Challenges ahead for Kharge

Anil Anand

Expectedly, the veteran Congress leader Mr Mallickarjun Kharge has been elected as the new party president. A non-Gandhi family nominee will occupy this top post after a hiatus of 24 years. Certainly path-breaking under the prevailing circumstances and not unprecedented as the Congress has in its 137-year history seen many non-Nehru and Gandhi family members becoming president.

However, unlike past when such persons headed the party, 2022 party-polls are different and significant not only from the perspective of the Gandhi family keeping out of the fray but also the manner, timing and circumstances under which the elections were held. It is not that the Congress was plagued by dissensions, revolt and rebellion for the first time. In fact, the party has a chequered history in this connection with the infamous vertical splits of 1969-70, syndicate versus Indira Gandhi, and formation of Congress (Tiwari) by Sonia Gandhi loyalists when PV Narsimharao was Prime Minister and the party president both.

This election, an experienced old-warhorse Kharge versus erudite, flamboyant and articulate Shashi Tharoor, held immediately after the now buried Group 23 rebellion with Mr Ghulam Nabi Azad forming a regional party and Mr Tharoor himself being a signatory to the letter written to Mrs Gandhi that was perceived as some kind of a rebellion, has different meaning and connotations. It has a different meaning for those such as Congress's arch rival BJP, and it has entirely different connotation for the Congress in the context of simultaneously ongoing "Bharat Jodo Yatra" pivoted by Rahul Gandhi.

It is to the utter disliking of those, top among them the BJP's Narendra Modi- Amit Shah duo, who would have wished Mr Gandhi taking another plunge at the party presidency, and keep providing them chance to pound on the soft target with political scorn and ridicule as they had heavily invested in the gameplan to tarnish his image, during the last eight years. Perhaps, after long it seemed that some deep thought had gone into plan-

ning the party election without a member of the Gandhi family becoming a contesting candidate. And that seemed to be with a purpose. It is another matter that Gehlot's shenanigans and a last-minute drama did cause some embarrassment.

There are challenges galore ahead for Mr Kharge but with a strong silver-lining that the absence of a Gandhi family member from the top party post could take the sting out of the BJP's pointed and vicious attack against the Congress. No matter they may discover another issue. It is anybody's guess that he became a presidential candidate with the blessings of Mrs Gandhi and, of course, support of Rahul Gandhi. Nevertheless, there was a semblance of a free and fair contest or

of checks and balances would always be in place as there is no dearth of nay-sayers within the Congress.

It is a blessing in disguise for him that he has become the party president when the "Bharat Jodo Yatra", with Mr Gandhi in the lead role, has started attracting the people's imagination. The overwhelming response which the Yatra has received in the five southern states, which it has traversed so far, with Mr Gandhi emerging as the main attraction, would certainly disillusion the prophets of doom, and at the same time enliven the spirits of the hitherto demoralized Congress rank and file.

This emerging situation has a strong potential both easing and exerting pressure on Mr Kharge who will be starting his innings with his back to the wall. It will ease the pressure as Congress for long has been looking out for a strategy to catch people's imagination as nothing so far had been working for them with BJP's aggressive strategists breathing down on their neck. Also, all attempts to galvanize and lift the morale of the party leaders and rank



and file had so far failed. He will now only have to build upon the atmosphere created through the "Bharat Jodo Yatra" with an effervescent rank and file and Mr Gandhi coming out of the bubble created and entrapped by the BJP.

A strong positive was that the presidential elections were contested in a positive spirit by both the candidates. Full marks to Mr Tharoor in particular as he at no point in time said or did anything to create acrimony. And even after defeat he was the first

to reach at Mr Kharge's doorsteps and congratulate him.

It is now incumbent upon not only on Mr Kharge but the Gandhis also to carry forward this spirit of positivity and properly harness it in reviving the organization and preparing it for battles ahead. One way to carry forward this positive spirit it would be to ensure that Mr Tharoor works in close proximity with Mr Kharge. If the new president has the decades of experience and wisdom, Mr Tharoor has a vision, and capability and capacity to connect particularly with the younger generations.

Still, Mr Kharge has some big-ticket tasks or challenges ahead of him. Restoring confidence of the disgruntled leaders and workers is an immediate challenge for which the "Bharat Jodo Yatra" has created a conducive environment. How to win elections and checkmate the BJP juggernaut is the other key area he will have to focus on for which the goodwill generated by Mr Gandhi through the Yatra could prove handy for him.

One onerous task for him will be on how to cap the rumblings on account of generational clash in the party. His experience and goodwill with the old guard could prove to be an asset and at the same time build bridges with the younger lot perhaps by using Mr Gandhi's services. In this connection bringing sizable number of youngsters in the organisation at all levels could act as a good confidence measure to win their confidence.

Though groomed in the Congress culture of painfully slow decision making and status quo approach, Mr Kharge will have to come out of this closet. Quick decision making particularly in regard to organisational shake up and working out a system based on accountability are the priority areas direly seeking his attention.

The patriarchal stature of Mr Kharge should help him in creating a team spirit with the active participation of all sections of the party. There should be no place for groupism. Again, this will not be possible without the help of the Gandhis and the other hand Mr Tharoor led turks.

(The views expressed by the authors are their personal)

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