



2010 OPERATIONAL RISK AND SECURITY OUTLOOK FOR INDIA

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India enjoyed a respite from foreign-orchestrated terrorist attacks in 2009 and is looking to maintain this positive momentum in 2010. But FTI-International Risk believes that this lull is likely to be temporary as the major threats to the country's security, which largely originate from Pakistan, have yet to be contained.

The Terrorist Threat From Pakistan

While no successful terrorist attacks occurred in 2009, India is far from secure. Senior security officials say a dozen "foreign-inspired" plots were foiled. Although few details are known of these incidents, Indian and U.S. officials have hinted that they may be linked with Pakistani terrorist groups such as Lashkar-e-Taiba, which was responsible for carrying out a large-scale terrorist attack in Mumbai in November 2008.

Relations between the two nuclear neighbours have been in a deep freeze since the Mumbai attack, and the threat of military confrontation still remains a danger. Civilian and military leaders from the two countries regularly trade accusations against each other. Indian Army Chief Gen. Deepak Kapoor recently warned that a limited nuclear war was "very much a reality in South Asia" and each country has forward deployed substantial combat forces close to their shared borders.

One of India's main grievances is that Pakistan has not taken sufficient steps to crack down against Lashkar-e-Taiba. Although the group is officially banned and a handful of senior operatives were arrested for the Mumbai attack, most of its leaders and networks continue to operate under other guises such as charity and political organizations. This includes its founder Hafiz Saeed, who heads one of these charities called Jamaat-ud-Dawa. Sources speculate that key reason why the Pakistani authorities have been reluctant to close down Lashkar-e-Taiba is because of its popularity; this linked to its active involvement in fighting for Kashmiri independence.

Some news reports have suggested that Lashkar-e-Taiba continues to enjoy support and discrete protection from Pakistan's principal intelligence force, the Inter-Services Intelligence Directorate, and its ranks of supporters and operatives are increasing despite the limited crackdown against the organization.

With no diminution in the terrorist threat, India has been devoting more resources to building up its internal security and intelligence capabilities.

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Increased funding has gone to expanding para-military and counter-terrorist units and providing them with specialized equipment. Reforms have also been made to improving cooperation and the sharing of information among intelligence agencies, which includes the establishment of an online national intelligence grid network. But as the internal security apparatus has suffered from long neglect, this increased funding and structural make-over is unlikely to overcome serious shortcomings in the near term.

Other Internal Security Problems

Besides the Pakistani terrorist threat, India suffers from a number of long-running secessionist conflicts with militant groups in its border states. The most serious at present is taking place in Assam and Manipur in Northeast India and Kashmir in Northwest India. As these confrontations are localized, they receive little international media attention, but they cause far more casualties than the terrorist attacks conducted by Lashkar-e-Taiba. In the first 11 months of 2009, for example, 375 people were killed in militant-related incidents in Assam and 380 were killed in Manipur, according to the South Asia Terrorism Portal, which estimated that nearly 2100 people were killed in terrorist and militant-related violence during the same period. This, however, represents a nearly 30 percent decline from 2008.

India also faces another source of border tension with China. Sino-Indian border tensions flared up in the summer of 2009 over stepped up Indian troop deployments in Arunachal Pradesh, Indian claims of Chinese violations along the Line of Actual Control, and alarmist media reporting over these tensions in India. These tensions have yet to be resolved and could flare up again in 2010.

Conclusion

In conclusion, the assessment of FTI-International Risk is that the security risk that India faces in 2010 remains high. The country faces a high risk of another terrorist strike, inspired by Pakistani based groups.

Contact FTI-International Risk

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