

Chapter 6: Security Concerns

The Canadian writer and anti-globalisation campaigner Naomi Klein once described New Delhi as a jungle of fences where security firms reap the rewards of nervous citizens: "selling iron gates, armoured cars, elaborate alarm systems and renting out armies of private guards."¹

Most visitors to New Delhi, or any other major metropolis, would not describe the cities of India in quite the same way. I have always felt perfectly safe there. The issue of security would be fairly low on the list if a visitor was asked to list their concerns about India after visiting the country. Prior to a visit, it may be one of the highest concerns as we live in an age of twenty-four hour global news with a voracious appetite for even the slightest scuffle over international borders.

In 1997, the sociologist Manuel Castells wrote: "religious fundamentalism has, of course, existed throughout the whole of human history, but it appears to be surprisingly strong and influential as a source of identity in this end of millennium."² Of all the terrorists groups in the world al-Qaeda, led by Osama bin Laden, has been catapulted to the forefront of public consciousness since the terrorist attacks in the United States on September 11th 2001.

After the 9/11 terrorist attacks in the US, President George W. Bush told the world that nations were either with the United States in the war on terror or against them. There could be no centre ground for diplomatic fence-sitters and both the former Prime Minister Atal Bihari Vajpayee of India and President General Pervez Musharraf of Pakistan leapt to the side of the US President offering their full support in the war against terrorism.³

The US-led war on terror is not the only concern for investors in India. Decision makers need to be aware of the delicate relationship with Pakistan and the possibility of natural disaster. It is a fact that India has its share of security concerns in common with most nations. Japan has the ongoing threat of earthquakes. Britain has suffered decades of Irish republican terrorism, only recently subsiding with the Good Friday peace accord. The US suffers from extreme weather conditions and occasional terrorism caused by its own citizens.

India is not unusual and remains a safe country for visitors and investors. This chapter identifies the key areas you need to be aware of so investment decisions can be fully informed.

Natural Disaster

On the morning of January 26, 2001, a natural disaster struck at the State of Gujarat in North West India. With its epicentre close to the town of Bhuj, an earthquake measuring 6.9 on the Richter scale shook the area for almost two minutes with tremors that could be felt throughout India and Pakistan.

It was the worst earthquake in India for 180 years and was the longest ever recorded. Initial estimates indicated that over 30,000 people were killed, however this was later revised to 19,800 as the government believed the initial list contained many duplicate names⁴. Nonetheless more than 166,000 people were injured including 20,717 serious injuries such as permanent incapacitation.

The situation was chaotic as Gujarat was cut off from the outside world. Telecommunications had completely broken down with the destruction of 147 telephone exchanges. Power was not available for weeks as 45 sub-stations were damaged. Over 1,300 villages lost their water supply.

The government was severely criticised for its inexperience and utter inability to control the relief operation. During the immediate aftermath, a group of doctors from Mumbai flew into Bhuj. They carried a portable electricity generator, sterilisation equipment and medicines, but after a day of waiting to help they gave up and flew back to Mumbai. Relief materials remained unused and rotted.

India has since discussed the creation of a permanent disaster management committee comprising politicians and experts, but the seismologists continue to emphasise that there is no method of predicting earthquakes. The best they can do is make educated guesses based on geological activity.

On the opposite north-east side of the country in Orissa State, flooding remains a perennial problem. The first survey of the Mahanadi River was completed in 1858 by Captain C.J. Harris after tragic floods wreaked havoc on Orissa that year.⁵

It took until the 1960s for a comprehensive series of recommendations to be produced that would offer full flood control through the construction of a series of dams on the tributary rivers joining the Mahanadi downstream of the recently completed Hirakud dam. The dam construction programme is yet to be completed and the area is flooded year after year.

Orissa suffered major flooding in 2001 adding to the agony of locals who were still recovering from the cyclone of 1999. This disaster touched millions of people throughout the world and the international aid effort was extensive. However, the Mahanadi also suffered major floods in 1964, 1967, 1969, 1973, 1976, 1978, 1980 and 1982.

The dam construction programme is a political hot potato as it displaces people from their homes and floods fertile land planted with valuable crops. Orissa needs to continue the debate or forever suffer its reputation as the flooded backwater of India.

Of course, the most recent disaster to strike the region is the tsunami of December 26 2004. This caused more than \$2 billion of damage to India and claimed over 10,000 lives. In Tamil Nadu, 15,000 fishing boats were lost, destroying the livelihood of thousands. India refused all offers from help from foreign govern-