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## **India's Maoist Problem**

India has fought numerous wars with outside forces in its history and has also had several internal conflicts. The most notorious civil struggle has been the conflict with Kashmir insurgents, a border conflict between India and Pakistan that has claimed tens of thousands of lives. So it generally came as a surprise when the Indian Prime Minister Manmohn Singh declared the Maoist movement in the eastern part of the country to be the single biggest internal security challenge ever faced by India.

The Indian Maoist movement can be traced back to the 1920s; however, the Naxalite group became a formal movement in 1967 after it became actively violent. The group was inspired by the agrarian revolution ideology as a means to achieve equality. The long-term goal of the organization is to capture political power by violently overthrowing the Indian state. Although the central government has boosted efforts in the fight against these extremists, the group has spread to involve about a third of India's territory. The Naxalites are considered far-left radical communists and are declared a terrorist group under Indian law.

In this report we will look into the Maoist movement in India, starting with its history. We will then explore how the movement has survived centralized efforts to eradicate it, paying special attention to the unique context of Indian society and politics. We will conclude by assessing the likelihood of

the group's success and the global geopolitical consequences.

### **History**

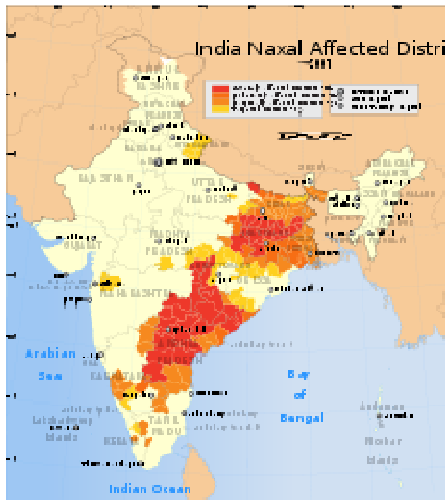
The term Naxalism comes from the name of the Naxalbari Village in West Bengal, where the movement started.

The Maoist movement in India formally started after the Communist Party of India broke up in 1967. The Maoist movement in India gets its inspiration from China's Mao Tse Tung's ideology which promotes armed agrarian uprisings to capture political power. The movement started in West Bengal as peasants grouped together to fight the inequality between the landlords and the peasants; however, it evolved into a bloody battle between the peasants and the local police and landowners. The problem was the implementation of an Indian law that limited the amount of land that a single landlord could hold, with the surplus land being given out to the peasants. In reality, since each district has autonomy in how the laws are applied, the surplus land was commonly not distributed to the poor. The promise of a better life through revolt against these usurious landlords attracted many of the villagers.

A legitimate communist party is involved in the political process; however, Naxalites are not involved with the party.

In general, the 1970s and 80s were characterized by numerous splits within the radical left-wing groups over many issues, including the use of violence and boycotting elections. On the other hand, the 1990s was an era of mergers.

The Naxalites claim that they are in the strategic defensive mode; however, the group's actions are often times aggressive and unpredictable.



(Source: Wikipedia)

The most deadly attack staged by the Naxalites took place in 2010, when several well-planned assaults killed over one hundred policemen and civilians. As a result of these ambushes, the Indian government increased police presence in the rural areas as well as increased funds for rural development in the regions. It is worth noting that Naxalites do not attack areas with random fervor. The group often studies the socioeconomic circumstances of the regions and formulates a plan to take advantage of governmental shortcomings. The attacks are often well-planned and well-researched.

The group mainly finances itself through extortion activities and funds from sympathizers. They often extort illegal miners and drug traders. Naxalites also act as a labor union negotiating higher wages for workers, out of which the workers then “voluntarily” pay a portion to the Naxalite group. They collect a levy called the “revolutionary tax” from villagers, government contractors, illegal mining and

logging groups. Additionally, they receive weapons and funds from Maoists in Bangladesh, Myanmar and Nepal.

### Government Response

The majority of the Indian regions claim some Naxalite presence. This, however, is exaggerated. Instead there seems to be an incentive problem. The central government makes funds available to the affected regions for development and security, so the regional leaders often inflate the Naxalism problem.

The most effective weapon in the fight against Naxalism seems to be the increased funding for infrastructure and development. The poor remote areas have very little government presence and the villagers do not have access to education and no way of improving their situation. Additionally, formal job opportunities are rare in the rural areas, and even if a villager would accept a government job, the Naxalites would persecute the person. Building infrastructure and introducing an education system would provide the rural dwellers with an alternative to Naxalism.

The government has refused to involve the national military in the fight against Maoism, instead training local police as the Indian constitution makes security a local government matter. However, with the regions being so poor, there are three times as few police officers as the Indian average. As a result, security policies dealing with terrorist groups have been inconsistent. At the same time, Naxalites are taking a rather wide view, challenging the Indian government through military actions and propaganda.

The Naxalite movement has been offered a spot in the political process, but the group has refused involvement. Additionally, the

government has approved attractive deals for any Naxalite that is willing to give up the group, but not many Naxalites have sought this offer.

### **The Survival of Naxalism**

Naxalites are currently estimated to have about 10,000 armed fighters. As the above map shows, the movement covers about a third of India, with its hotbed in the northeast around the border with Nepal and Bangladesh. The movement is most active in the poorest regions, with little central government influence. Poverty is so widespread that there are no roads, water pipes, electricity or schools and the population doesn't even have hopes of escaping the circumstances. Part of the problem is the vast distances involved, low population density and economic insignificance of the areas, as well as the general inequality within the country.

Naxalism has successfully spread in the rural areas because there are relatively few ideologies that give hope to rural dwellers. In societies with limited social mobility, the urbanites have hope of benefiting from the industrialization process. However, very few ideologies view the rural society as superior. It's not that India's rural areas prefer Maoism to other ideologies; it is simply one of the only ideologies geared toward them. The social inequalities of Indian society add to the problems. Mao's ideologies also appealed to the poor urban laborers, stressing that the widespread agrarian revolt would be strengthened through the involvement of low paid urban workers.

Whereas the Naxalites started out as an ideological group with a mission of betterment to the masses, they have lost sight of their conceptual ideals and become a terrorist group. The new recruits, illiterate

villagers, have no familiarity with Maoist ideologies but there are no better options to express their frustrations with the government.

Ironically, these remote rural areas are the most resource-rich areas of India. The mineral rich local governments have signed lucrative deals with multinational companies; however, none of the economic benefits are set to trickle down to the needy villagers. Instead the lack of environmental policies leaves the locals with environmental pollution. For example a large iron mine has been set up in the region, but it hires only a few locals and in general does not provide economic benefits to the region. At the same time, it pollutes the river system so the government is generally viewed as failing to provide benefits to the locals. In general, India's fundamental problems stem from the lack of reform and accountability in the government. The lack of reform reflects the profound ambivalence of India's aging rulers toward bettering the country as a whole. The government has failed to be held responsible for the needy majority and has instead served the best connected minorities, the privileged. The large inequalities create a system whereby social mobility is difficult, if not impossible. Importantly, the country lacks historical examples of upward hierarchical progression, possibly due to prejudice based on background along with religious and tribal affiliation. Additionally, the ruling elite, often defined by caste, gender, educational background and income, are not interested in social equality. Some observers have argued that the deeply ingrained prejudice within the regions is the root cause of the unprecedented disparity. As the country was formed out of tribes, the tribal mentality has been an obstruction to building a unified country. Historically, tribes would take advantage of each other as

a matter of practice—cheating the other tribes to better your own was how tribes functioned. Teamwork extending outside one's immediate group was never an important cultural element. This same tribal mentality has sabotaged progress and reform in independent India. As a result, each regional government applies its own tactics in fighting Naxalism with very little regard for a unified strategic vision.

Naxalites recognize that their armed forces are weaker than the local government's potential, but as with all terrorist groups, they win simply by surviving. The group's main strategy is to slowly attack the security forces, especially during times when the nation is preoccupied with external wars. Naxalism has gained support as it has correctly identified the deeply ingrained problems of Indian society, even if their methods of fighting it are not the most fitting. Inequality within Indian society is rampant, both between the castes and also within regions. Most Naxalites are tribal and among the bottom strata of the Indian caste system. However, these two groups make up a quarter of the population.

### **A Way Forward**

The early recruits to the Naxalite movement came from India's middle class, attracted by the Maoist philosophy. The most recent recruits are among the poorest in the country. Among the active Naxalite regions, the literacy rate is 29% for men and 14% for women compared to the country's average of 82% for men and 65% for women. Naxalites have clearly stopped development, but the central government does not direct many funds to the remote regions outside of developing mines to utilize natural

resources. Even with the mine development the local villagers receive a very small share of the economic benefits. The central government, in turn, indicates that the Naxalite movement is blocking further development in the regions, but Naxalites argue that the government is only interested in exploiting the regions' natural resources. The Naxalites' claims are true to a certain degree.

In general, the Naxalites are fighting a losing battle as they are unlikely to be a major threat to national security, rather remaining as a regional threat. The Maoist ideologies have been outdated globally, and will not apply in India as the country develops further. Although the movement is viewed as the single biggest internal security challenge ever faced by India, the movement has remained on the margins of society and is unlikely to spread further. For one, the movement loses with the spread of development and information. However, the Naxalite movement is fighting the Indian government on its weakest front—the rampant inequality of opportunity. Fighting Naxalism is also very important to the Indian government because the areas involved are rich in natural resources. As long as the central government is inconsistent in delivering development to all of the country's regions, the Naxalite movement will not fade.

The movement is not likely to spread globally; however, other countries with wide wealth disparities could be affected by the ideology.

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*This report was prepared by Kaisa Stucke and Bill O'Grady of Confluence Investment Management LLC and reflects the current opinion of the author. It is based upon sources and data believed to be accurate and reliable. Opinions and forward looking statements expressed are subject to change without notice. This information does not constitute a solicitation or an offer to buy or sell any security.*

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