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“UNDERSTANDING THE COUNTER-TERRORISM GRID SYSTEM IN JAMMU AND KASHMIR”

This article covers “Daily Current Affairs” and details the **Counter-Terrorism Grid system in Jammu and Kashmir**.

Syllabus mapping: GS-3: Internal Security: Security Challenges and their Management in Border Areas – Linkages of Organized Crime with Terrorism.

For Prelims:

What is the Grid system and Operation Dudhi?

For Mains:

How the Grid system will help to security challenges in the border areas.

Why In News

Grid system reshuffle in Jammu and Kashmir: To address the security vacuum, additional troops, including around 3,000 Army personnel and 500 special forces, have been deployed to Jammu. This measure aims to bolster the counter-terrorism efforts and fill the gap left by the redeployment.



What is a Counter-Terrorism Grid?

The Counter-Terrorism Grid in Jammu and Kashmir refers to a coordinated and multi-layered security framework designed to prevent, detect, and respond to terrorist activities in the region. This grid involves a combination of various security forces, intelligence agencies, and technological tools working together to address and mitigate threats.

Objectives of the Counter-Terrorism Grid:

Preventing Terrorist Attacks: Through proactive measures and intelligence gathering to thwart planned attacks.

Enhancing Security: Providing a robust security presence in vulnerable areas to deter terrorist activities.

Rapid Response: Ensuring quick and effective responses to any incidents of terrorism.

Community Safety: Protecting civilians and maintaining law and order

Grid Deployment Concept: The primary goal of a counter-terrorism grid is to dominate and secure vulnerable areas that may allow terrorists to operate with relative freedom. This involves strategically placing units and sub-units to maximize coverage and control.

Factors Considered:

Terrain: Understanding and navigating the physical landscape is crucial for effective deployment.

Vulnerable Areas: Identifying and securing areas that are prone to terrorist activities.

Local Population: Assessing the support or hostility of the local population towards security forces and terrorists.

Operational Approach:

Tactical Operations: Conducting operations that are sensitive to the psychological aspects of local communities, aiming to gain their trust and cooperation.

Community Engagement: Building relationships with residents to gather intelligence and support, which is essential for successful counter-terrorism operations.

Past Example: Operation Dudhi

Operation Dudhi (1991): Conducted by the 7 Assam Rifles, this operation is notable for its success in countering insurgent activities in the Chowkibal area. The operation was characterized by effective leadership and operational control at the battalion level.

Context and Recent Developments

Jammu's Counter-Terrorism Efforts

Strategic Importance: Jammu and Kashmir, particularly Jammu, is strategically important due to its geographical location and proximity to the Line of Control (LoC) with Pakistan. The region has been a hotspot for insurgent activities and cross-border terrorism.

Historical Context: Over the years, Jammu and Kashmir have faced various challenges, including insurgency and militant activities supported from across the border. Efforts to counter these threats have evolved in response to changing tactics and technology.

Security Challenges in Jammu:

Increased Terrorist Activity: The Jammu region has faced heightened terrorist activity, with recent attacks and operations by freshly infiltrated militants backed by Pakistan. The situation has been marked by substantial losses among security forces.

Troop Redeployment: Following the Galwan clash in June 2020, troops previously stationed in Jammu were redeployed to the Line of Actual Control (LAC) to address the situation with China. This redeployment created a security vacuum in Jammu, leading to a weakened counter-terrorism grid.

Recent Measures:

Troop Inductions: To address the security vacuum, additional troops, including around 3,000 Army personnel and 500 special forces, have been deployed to Jammu. This measure aims to bolster the counter-terrorism efforts and fill the gap left by the redeployment.

Assam Rifles Induction: The recent report on the induction of Assam Rifles troops into Jammu further underscores the government's commitment to enhancing counter-terror operations. The Assam Rifles are known for their experience in counter-insurgency operations and will contribute to strengthening the security apparatus in the region.

Implications of Troop Induction

Operational Impact:

Enhanced Security Presence: The induction of additional troops and specialized forces is expected to improve the security presence in Jammu. This includes better surveillance, more effective patrolling, and increased capacity for quick response to terrorist incidents.

Special Forces Capability: Special forces teams bring advanced skills and equipment, which are crucial for handling complex and high-risk counter-terrorism operations. Their presence can lead to more effective targeting of terrorist networks and improved operational outcomes.

Regional Security Dynamics:

Balancing Resources: The deployment of additional forces to Jammu may impact the distribution of resources and personnel across other regions, including those involved in handling the LAC situation. This needs to be managed carefully to ensure that all critical areas receive adequate attention.

Local Reactions: The induction of troops from outside the region, such as Assam Rifles, may influence local dynamics and perceptions. The presence of troops with different regional backgrounds can affect local relations and may require efforts to build trust and cooperation with the local population.

Impact on Local Communities:

Security vs. Civilian Life: While increased security measures are necessary, they must be balanced with the impact on civilian life. Measures should aim to minimize disruptions to local communities and ensure that counter-terrorism operations do not adversely affect everyday life.

Key Components of the Enhanced Counter-Terrorism Grid

Technological Advancements:

Surveillance Systems: Installation of state-of-the-art surveillance equipment, including drones and CCTV cameras, helps in monitoring sensitive areas and tracking movements.

Communication Technology: Upgrading communication systems to ensure secure and efficient exchanges of information between different security agencies.

Operational Strategies:

Increased Patrolling: Enhanced patrolling and checkpoint systems in vulnerable areas help in detecting and intercepting suspicious activities.

Quick Response Teams: Formation of specialized quick response teams trained to deal with terrorist incidents and emergencies effectively.

Community Engagement:

Local Intelligence: Engaging with local communities to gather intelligence and build trust. Community involvement is crucial for effective counter-terrorism efforts, as residents can provide valuable information and support.

Counter-Radicalization Programs: Initiatives aimed at countering radicalization and providing alternative narratives to prevent young people from being drawn into militant activities.

Border Management:

LoC Fencing: Continued efforts to reinforce the fencing along the Line of Control to prevent infiltration by militants.

Integrated Border Security: Coordinated efforts between different security forces, including the Border Security Force (BSF), the Army, and local police, to ensure a robust border management strategy.

Training and Capacity Building:

Training Programs: Regular training programs for security personnel to handle various counter-terrorism scenarios, including urban operations, hostage situations, and tactical responses.

Capacity Building: Investment in building the capacity of local police and security forces through modern equipment and advanced training techniques.

Challenges to the Counter-Terrorism Grid

Geographical Terrain and Accessibility: The rugged and mountainous terrain of Jammu and Kashmir can make it difficult for security forces to maneuver and operate effectively. This terrain also provides natural cover for insurgents and terrorists.

Intelligence Gaps: Inaccurate or incomplete intelligence can hinder the effectiveness of counter-terrorism operations. Insurgents often use sophisticated methods to avoid detection and mislead security forces.

Integration of New Troops: Newly inducted troops need time to familiarize themselves with the terrain and local population. This involves understanding local dynamics and building rapport.

Local Support and Radicalization: Some local communities may harbor sympathies for insurgent groups due to various socio-economic factors, making it challenging to differentiate between genuine supporters and those involved in terrorism.

Cross-Border Terrorism: Terrorist groups often operate from across international borders, complicating efforts to control and eradicate their activities. This requires coordination with neighboring countries and addressing cross-border infiltration.

Balancing Security and Civil Rights: Ensuring that counter-terrorism measures do not infringe upon the rights and freedoms of civilians while maintaining security and order.

Coordination Among Agencies: Effective counter-terrorism requires seamless coordination between multiple security agencies, intelligence units, and administrative bodies. Fragmented communication and lack of integration can undermine operations.

Resource Constraints: Limited resources, both in terms of personnel and technology, can affect the ability to conduct comprehensive counter-terrorism operations.

Terrorist Adaptability: Terrorist groups often adapt quickly to new counter-terrorism strategies and technologies, making it necessary for security forces to continuously evolve their tactics.

Recommendations for Current and Future Operations

Deployment Strategy: Newly inducted troops should be deployed as part of existing units to ensure smooth integration and effective operations. This approach helps in maintaining operational continuity and leveraging the experience of existing personnel.

Enhanced Intelligence Sharing: Scholars advocate for improved mechanisms for intelligence sharing among various agencies and with international partners. This includes integrating data systems and establishing joint task forces.

Community Engagement and Counter-Radicalization Programs: Building trust within local communities and implementing educational and social programs to counter radicalization are essential. Engaging with community leaders and providing economic opportunities can help mitigate support for insurgent groups.

Technological Integration: Investing in advanced surveillance technologies, such as drones, AI-based analytics, and satellite imagery, can help in monitoring and preempting terrorist activities more effectively.

Improved Training and Capacity Building: Regular training programs for security personnel on modern counter-terrorism techniques and cultural sensitivity can enhance operational effectiveness.

Strategic Infrastructure Development: Developing infrastructure that facilitates better mobility and operational efficiency in challenging terrains can improve the effectiveness of counter-terrorism efforts.

Time and Patience: Counter-terrorism operations are a long-term endeavor. Quick results are unlikely, and expecting immediate outcomes can be detrimental. A sustained approach, focusing on gradual progress and building relationships with local communities, is essential.

Long-Term Strategy: Sustainability of Operations: The long-term effectiveness of these measures will depend on the sustainability of the increased troop presence and the ongoing adaptation of strategies to address evolving threats.

Conclusion

Strengthening the counter-terrorism grid in Jammu requires a well-coordinated approach that balances the deployment of new troops with the integration into existing units and command structures. By understanding local dynamics, effectively engaging with communities, and maintaining a long-term perspective, security forces can enhance their operational effectiveness and address the evolving challenges in the region. The lessons from past operations, such as Operation Dudhi, provide valuable insights into achieving success in complex counter-terrorism environments.

Prelims Question:

Q. One of the most successful operations undertaken by the security forces to counter the insurgency challenges in the Chowkibal area of Northeast India is called

- A. Operation Dudhi**
- B. Operation Maitri**
- C. Operation Sadbhavna**
- D. Operation Madat**

Mains Question:

The Counter-Terrorism Grid in Jammu and Kashmir faces multifaceted challenges. Discuss these challenges and evaluate the effectiveness of the potential solutions.

(250 words 15 marks)

THE YEN CARRY TRADE

This article covers “Daily Current Affairs” and details Yen trade and the Indian economy.

Syllabus mapping: GS-3: The Indian economy and external sector.

For Prelims:

What is the yen carry trade?

For Mains:

What is the yen carry trade and why is this declining?

Why In News

Recently the Yen trade has been declining.

What is the Yen Carry trade?

The yen carry trade is a popular trading strategy where investors borrow money in Japanese yen, which typically has low interest rates, and then use those funds to invest in assets that yield higher returns. The idea is to profit from the difference between the low borrowing cost in yen and the higher returns on the invested assets.



How the Yen Carry Trade Works

Borrowing in Yen: Investors take out loans in the Japanese yen, benefiting from Japan’s historically low interest rates.

Investing in Higher-Yielding Assets: The borrowed yen is then converted into other currencies with higher interest rates, such as the U.S. dollar or the Mexican peso. These funds are invested in assets like bonds or stocks that offer better returns.

Repaying the Loan: After a period (usually short-term), the investment returns are converted back into yen to repay the loan. The profit is the difference between the returns on the investment and the cost of borrowing yen.

Historical Context

Origins: The yen carry trade's roots trace back to 1999 when Japan's central bank lowered interest rates to zero following an economic crisis. This environment prompted Japanese investors to seek better returns abroad, making Japan the world's largest creditor nation.

Modern Era: The contemporary yen carry trade gained momentum in 2013 under Prime Minister Shinzo Abe's economic policies. Abe's quantitative easing led to a depreciating yen and rising U.S. interest rates, creating a favorable environment for carry trades. The strategy became especially popular during 2022-2023 when U.S. rates rose rapidly while Japanese rates remained very low.

The scale of the Trade

Size: Estimates of the yen carry trade vary. A narrow measure cites around \$350 billion in short-term loans by Japanese banks. However, this figure might not capture the full extent of the trade due to commercial transactions and domestic investments. The actual scale could be larger, especially considering the leverage used by hedge funds and significant investments by Japanese pension funds and insurers abroad.

The yen carry trade can become very influential in global financial markets, affecting exchange rates, investment flows, and even market stability.

Reasons for the Unwinding of the Yen Carry Trade:

Interest Rate Changes: One of the main reasons for the unwinding of the yen carry trade is changes in interest rates. If the interest rates in Japan rise or the rates in the countries where the funds were invested fall, the carry trade becomes less profitable. For instance, if Japan starts increasing its interest rates, the cost of borrowing yen becomes more expensive, reducing the appeal of the carry trade.

Currency Fluctuations: If the yen strengthens against other currencies, it increases the cost of repaying yen-denominated debt for investors who borrowed in yen. A stronger yen means that the value of the yen-denominated loans increases when converted back from the foreign currency, making it more expensive to repay those loans.

Market Volatility: Global economic or financial market instability can also trigger unwinding. If there are signs of economic trouble, investors might pull out of higher-risk investments to avoid potential losses, leading them to close their yen carry trades. This can create a feedback loop where the need to cover losses exacerbates currency movements.

Economic and Geopolitical Factors: Broader economic conditions or geopolitical events can also influence the yen carry trade. For example, changes in trade policies, political uncertainty, or economic slowdowns in major economies can affect the attractiveness of carry trades.

Monetary Policy Shifts: Central banks' policies play a crucial role. If the Federal Reserve, for instance, signals a change in its policy stance or adjusts interest rates, it can shift the attractiveness of carry trades involving the yen and other currencies.

CONCLUSION

The unwinding of the yen carry trade right now is likely driven by shifts in interest rates, currency movements, and broader economic or market conditions that have made the strategy less attractive or more risky.

Prelims question:

Which one of the following statements best describes the Yen Carry Trade?

- A. This is a trade involving Japanese yen and bonds, specifically focusing on government bonds or bonds with mandatory features.
- B. This is a financial strategy involving borrowing funds in Japanese yen (JPY) and using them to invest in assets or currencies that offer higher returns
- C. It refers to swap transactions where two parties exchange financial instruments or cash flows. These swaps are commonly used to manage risk, speculate, or achieve financial objectives.
- D. It refers to the portion of a debt taken by one country from Japan and the debtor country is under obligation to do trade with the japan.

ANSWER: B

Mains Question:

The Yen Carry Trade has been a popular strategy for investors seeking to profit from interest rate differentials between the Japanese yen and other currencies or assets. Discuss the mechanisms of the Yen Carry Trade and analyze its impact on global financial markets.

(150 words 10 marks)

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