The Revocation of Kashmir’s Special Status by Narendra Modi Administration in 2019

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Abstract

Kashmir has a special status under Article 370 and 35A of the Indian Constitution, which granted special autonomy of Kashmir. The paper examines the reasons behind the Indian government's policy under Indian Prime Minister Narendra Modi to revoke the special status of Kashmir. The question is, why the Indian government revoked the special status of Kashmir in 2019 when the special status has been entrenched in the last 73 years ago. The objective of this research is to identify the reasons behind the Indian government’s policy to revoke the special status of Kashmir. By a qualitative research, the findings show that the existence of economic interests is the background for revoking the special status of Kashmir. The research argues that the Indian business group (Taipan) as a major milestone in the success of Narendra Modi campaigns in 2014 and 2019 elections, demanding the Indian government to eliminate regulatory barriers between the center and the regions, to create a national market without any restrictions. Demands given by Taipan cause the dynamics between the central and local governments. This research is expected to assist the development of international relations in political economy studies.

Keywords: India, Kashmir, Revocation, Special Status, Taipan.

INTRODUCTION

Kashmir has been an area of conflict between India and Pakistan since 1947. The outbreak of conflict in Kashmir occurred after India and
Pakistan gained independence from the British government through the Referendum of Louis Mountbatten. India gained independence on August 14th, 1947, and Pakistan on August 15th, 1947 (Ayunda & Aria, 2017). The Kashmir conflict was triggered by a unilateral decision made by the Hindu leader of Kashmir, Raja Gulab Singh through the signing of an instrument of accession with the Indian government to integrate Kashmir with India on October 22nd, 1948 (Kurniawan, 2013). The decision was taken by the Kashmir leader to defuse Kashmir's internal conflict. Raja Gulab Singh's decision contrasts with the wishes of the majority of Muslim Kashmiris who prefer to join Pakistan.

The integration policy that has drawn resistance from the majority of Kashmiris has received a positive response from the Indian government. This is evidenced by the issuance of Article 370 of the Indian Constitution which gives the special status of Kashmir in 1948 (Gupta & Ojha, 2018). India's acceptance of the joining of Kashmir which was followed by the issuance of Articles 370 and 35A of the Indian Constitution was judged by Pakistan as an act that violated the Referendum of Louis Mountbatten (Gupta & Ojha, 2018). This triggered an open war between India and Pakistan four times, which occurred in 1947, 1965, 1971, and 1999. This open war encouraged the United Nations Security Council to issue resolutions to resolve conflicts between the two countries. Most of the resolutions issued by the United Nations Security Council emphasize ceasefire, demilitarization, and plebiscites (United Nation Security Council, 2020).

The resolution of the United Nations Security Council had a positive impact on the relations between India and Pakistan from 2004 to 2008. However, the relations between India and Pakistan heated up from 2014 to 2019 (Alfi, 2016). This condition is further exacerbated by the issuance of the policy of revoking the special status of Kashmir that stipulated in Articles 370 and 35A of the Indian Constitution. The article has been in effect for seven decades giving Kashmir the authority to have its flag, its constitution, and govern its government (Gupta & Ojha, 2018). The revocation policy of Article 370 of the Indian Constitution was issued by the Indian Prime Minister, Narendra Modi who came from the Bharatiya Janata Party (BJP) on August 5th, 2019 (Kanotra, 2019). Revocation of the special status of Kashmir has further aggravated relations between India, Pakistan, and Kashmir separatist groups which have conflicted for 73 years.

The revocation of the special
status of Kashmir has received various responses from the people of India and international. Most Indian Hindus welcomed the policy of Prime Minister Narendra Modi. However, Indians who are members of those who oppose and demand Indian Muslims reject Prime Minister Narendra Modi’s policy by protesting in New Delhi. They called for a policy of revoking the special status of Kashmir as a form of the demise of democracy in India. The reason is, taking this decision is done without considering the opinion of the people of Kashmir (Sevea, 2019). Thus, policies produced as illegal and unconstitutional policies.


The policy of revoking the special status of Kashmir by the Indian government is a serious and important discussion to be resolved in the study of international relations. This happens because the Indian government's policy can ignite a prolonged conflict and open war with Pakistan which will cause problems for the South Asian. In 2019, the two countries were involved in airstrikes for the first time in 73 years of conflict. Especially India and Pakistan are countries that have nuclear weapons.


Second, the writer choose to use
a determinant political economy approach in analyzing the revocation of Kashmir’s special status. This determinant of the political economy approach distinguishes the research conducted from the previous studies. The more or fewer policies issued by the government has the aim of expanding economic benefits. It is because politics, power, and matter have a relationship that affects one another. It is because on the reason that the existing resources in Kashmir can only be managed and utilized by Kashmiri permanent residents. Thus, residents outside the Kashmir region cannot use existing resources. Therefore it is necessary to change regulations to improve the economic growth in India.

THEORETICAL FRAMEWORK

To analyze the problem of the withdrawal of Kashmir’s special status, a political-economic approach is used. Political economy according to Oatley (1966) is to learn about the interaction between economic interests and the political processes that shape government policy (Sudirman, 2016). Thus, the political economy is closely related to how political battles between strong and weak groups in shaping state policies adopted by the government to allocate their resources. In the international political economy theory, three approaches can be used, there is mercantilism which is closely related to realism, liberalism which is closely related to liberal theory, and Marxism which has its theoretical position (Frieden & David A. Lake, 1994).

Here, authors emphasize the theoretical approach of Marxism as originated from the thought of Karl Marx, a German idealist philosopher who lived in the 19th century (Heywood, 2012). Marxists argue that politics, power, and matter are closely related. However, the most important and influential is the material. So that the relationship between economics and politics can be illustrated that the economy can affect politics, but not all politics are determined by economics. The main actor in conflict according to the approach of Marxism is a social class (Murphy & Sargent, 1969). Because the history of society is closely related to the history of class struggle. Now, the society is divided into two major groups, there are bourgeoisie and proletariat (Marx, 1965). Marxism in the political economy has two views. First, capitalism is expansive which always seeks the more profitable markets as a result of economic globalization.

Second, the Marxists in the international political economy argue that the state is not autonomous (Soresen, 2013). It means that the state is driven by the interests of the ruling
class (the interests of the bourgeoisie). Politics is used as a tool or media by the dominant group (the bourgeoisie) to exercise its power or authority or increase the legitimacy of its control to get the greater material (Engels, 2009). So that the state uses all its power to defend, fight for, and strengthen the interests of the dominant social class.

Marxism also emphasizes how the bourgeoisie is increasingly excited to increase the fragmentation of the means of production and population. Related to the creation of political concentration and the means of production in a few hands. In this case, it can be seen that regions which are independent or which have special autonomy and do not have direct relations with the central government will be issued. Forming a sovereign state with a government, a statutory system, a tax and customs tax, a territorial border, and class interest in the national class (Marx, 1965).

Based on this framework, the novelty offered by the author is that the withdrawal of Kashmir’s special status by Narendra Modi administration in 2019 was not utilized to increase the Hindu supremacy over Islam in Kashmir. Far from it, the revocation of Articles 370 and 35A was motivated by economic interests intended to improve India’s economic growth which had weakened during the era of Indian Prime Minister Manmohan Singh. These economic interests were included in the political process which impacted on the status of Kashmir.

DISCUSSION

Kashmir Conflict Dynamics

The separation of India and Pakistan by the British government listed in the Referendum of Louis Mountbatten became a forerunner to the emergence of conflict in the Kashmir. Under the Indian Independence Act 1935, the British Parliament also gave freedom to 589 princely states to determine its future. Princely State gets three choices from the British Parliament, which is to remain a separate independent state, join to India, or join to Pakistan (Singhvi, 2019). The choice must be made by the consent of the people.

The state of Kashmir was heated up, which forced Raja Gulab Singh to ask for help from the Indian government to control the internal conflict. Raja Gulab Singh and the Indian government signed an instrument of accession which stated that if India succeeded in resolving the conflict, Kashmir would become part of India. The agreement that took place between the two parties was a one-sided policy without involving Kashmiris and sparked the first open war between India and Pakistan in 1947 (Kurniawan, 2013).
The United Nations Security Council passed Resolution 47 on April 21st, 1948, which emphasized the preparation of plebiscite measures for the Kashmir region. A plebiscite is the determination of the transfer of an area based on the choice of its inhabitants through general elections, referendums, or other ways that can be directly elected by its inhabitants (United Nations Security Council, 2020). India responded to the United Nations Security Council resolution by stating that India would immediately carry out a plebiscite following a resolution passed by the United Nations Security Council if the conditions of Kashmir were conducive. However, Indian promises never took place and India still survives in the Kashmir (Kurniawan, 2013).

In 1948, India took the secretly political steps to control Kashmir through the adoption of Article 370 of the Indian Constitution as a policy of the Indian Constituent Assembly. Article 370 of the Indian Constitution grants special status for Kashmir in 1948 (Gupta & Ojha, 2018). The Kashmir’s special status stipulated in Article 370 of the Indian Constitution is carried out by the Governors of Jammu and Kashmir. Special status gives Kashmir the freedom to have its flag, its constitution, and govern its government except relating to foreign affairs, security, and communication.

The privilege of Kashmir was further approved by the issuance of Article 35A through an Indian Presidential Order in 1954 known as the Order of Constitutional Order No.48 and became an additional article in Article 370 of the Indian Constitution (Lok Sabha, 2017). Whereas Article 35A regulates the definition of citizenship for Kashmiri people, basic rights, property ownership, and administrative status (Gupta & Ojha, 2018). India's acceptance of the joining of Kashmir followed by the issuance of Articles 370 and 35A of the Indian Constitution was considered by Pakistan as an act that violated the Referendum of Louis Mountbatten.

The Indian Constituent Assembly also ratified the integration of Kashmir into Indian territories on February 6th, 1954. On November 19th, 1956, the Indian Constituent Assembly made a constitution that produced Kashmir as an integral part of India. On January 26th, 1957, the Indian government formulated an official and irrevocable transfer of authority regulation (Ading Kurniawan, 2013). The political actions of the Indian government triggered a second open war in 1965.

The Kashmir region is contested by India and Pakistan because it has a
lot of potentials. Geographically, Kashmir is in the Indian region and directly bordered by large countries. The north is bordered by Russia and China, east by China Sinkiang and Tibet, west by Afghanistan and Pakistan, and south by India. While demographically, 78% of Kashmiris people follow Islam (Ramadhan, 2019). This region is crossed by large rivers that provide a livelihood for Pakistan and India. The Indus River, Zanskar River, and Jhelum River flow into Pakistan. The three major rivers are used as waters for agriculture in West Pakistan, and as a primary means of transporting timber exported from Kashmir to Pakistan. Besides, Kashmir is also crossed by the Ravi River and the Sutlej River which tipped in India (Ading Kurniawan, 2013).

The Kashmir region, which is located at the foot of the Himalayas, has fertile land and has great potential as agricultural land. Kashmiri agricultural produce includes staple foods, vegetables, and fruits. Also, Kashmir is the largest flower producer in India, especially tulips and saffrons. Kashmir is also used to produce silk and wool. Apart from having potential in agriculture, the Kashmir valley also has potential in the gas and oil sector. Research on the potential for oil and gas in the Kashmir Valley has been carried out in 1862, 1883, 1892, 1895, 1928, and 1934. Based on the results of this study, it shows the potential for large oil and gas reserves about 100 km from Bhimbargali-Naushera, around the region. Poonch the bank of the Chenab River in the Line of Control (LoC) area (Taneja, 2015).

Also, the researchers found the presence of solid and liquid hydrocarbons in other areas of the Kashmir Valley. In the Poonch section, there is bituminous limestone which contains asphalt material. The Satra Nallah (Mandi-Poonch) contains asphalt. Sinklin Mandi contains Eocene limestone containing Assalina Granulosa with a distinctive aroma of petroleum. This discovery prompted The Indian Oil and Natural Gas Commission (ONGC) to begin investigating the Kashmir Valley in 1963. ONGC has drilled five times to find natural gas and oil (Butt, 1968). However, the research could not continue due to obstacles caused by border tensions along the Line of Control (LoC) between India and Pakistan. (Taneja, 2015).

Kashmir Discourse in the Era of Prime Minister Narendra Modi’s Government

India and Pakistan relations are not only filled with conflict and violence. India and Pakistan opened diplomatic relations in November 2003 in the era of Indian Prime Minister Atal Bihari Vajpayee's
government (Alfi, 2016). Diplomatic relations were strengthened in the era of Indian Prime Minister Manmohan Singh through the opening of trade routes (Dayana, 2019). During Indian Prime Minister Manmohan Singh's administration, the relations between India and Pakistan tended to decrease conflict escalation. On September 29th, 2013, at the United Nations General Assembly, India and Pakistan reached an agreement to stop the attack and strengthen the Line of Control (LoC) in Kashmir (Walsh, 2013).

The reduction of the escalation conflict and the achievement of an agreement was reached because Indian Prime Minister Manmohan Singh put more emphasis on the use of soft power. The use of soft power is also seen in the cooperation agreement for organizing cricket competitions between India and Pakistan which are held every four years (Showkat, 2013). Besides, the background of Prime Minister Manmohan Singh from the Indian National Congress Party (INC) was one of the factors that made relations between India, Pakistan, and Kashmir begins to improve. Because the Indian National Congress Party (INC) had occupied the leadership seat in the Kashmir region. Thus, Prime Minister Manmohan Singh has a special closeness to the Kashmir region (Moten, 2019).

The Bharatiya Janata Party (BJP) is the largest Hindu nationalist party in India which was founded in 1980. The Bharatiya Janata Party is a reorganization of the Bharatiya Jana Sangh (BJS) which was included by Hindu nationalist organizations, namely Rashtriya Swayamsevak Sangh (RRS) in 1951. Reorganization of Bharatiya Jana Sangh (BJS) became the Bharatiya Janata Party (BJP) led by Atal Bihari Vajpayee, Murali Manohar Joshi, da Lal Krishan Advani. BJP upholds the Hindutva ideology in all fields with a vision of making India a Hindu community (Jaffrelot, 2015). In the 2014 elections, the Bharatiya Janata Party (BJP) succeeded in getting voters with 281 seats in favor (Pathak, 2019). The victory of the Bharatiya Janata Party (BJP) has been a historic winner since 1984, a compilation of a single party was able to win a general election. Narendra Modi was appointed Prime Minister of India on May 26th, 2014 (Patnistik, 2014).

The BJP and Narendra Modi used the weakness of the National Congress Party in parliament as campaign material. Because the government of Prime Minister Manmohan Singh has experienced a setback due to the uncovering of a multi-trillion corruption case involving the government and its supporting party. The telecommunication network corruption has cost India US$39 billion or equivalent to Rp. 575.13
Trillion (Rudy, 2011). Telecommunication network corruption has become the biggest corruption in India during the last decade. In addition to corruption in telecommunications networks, in 2012 a corruption case was revealed in the coal mining opening permit involving Prime Minister Manmohan Singh and billionaire Kumar Mangalam Birla, the owner of Hindalco Industries which is still a part of the Aditya Birla Group. The corruption case for the coal mining opening permit has cost India US$ 33 billion or equivalent to Rp. 486.65 Trillion (Agustina, 2015). In addition to cases of corruption in telecommunications networks and permits to open coal mining, the government structure in the era of Prime Minister Manmohan Singh is increasingly unfavorable due to a decline in India's economic growth and the departure of foreign investors (Tikkanen, 2019). In 2011-2012, the inflow of Foreign Direct Investment (FDI) in India reached the US$ 35 billion and decreased to the US$ 24 billion in 2013 (Sumbari, 2016). Here is the list of companies that disinvested in India in 2010-2014:

<table>
<thead>
<tr>
<th>No</th>
<th>Year of Disinvestments</th>
<th>Company</th>
<th>Disinvestments Method</th>
<th>Business Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2010 – 2011</td>
<td>SJVN Ltd.</td>
<td>IPO</td>
<td>Hydropower Company</td>
</tr>
<tr>
<td>2.</td>
<td>2010 – 2011</td>
<td>Engineers India Limited</td>
<td>IPO</td>
<td>Service technician for petroleum refineries and industrial projects</td>
</tr>
<tr>
<td>3.</td>
<td>2010 – 2011</td>
<td>Coal India Limited</td>
<td>FPO</td>
<td>Mining and petroleum refineries</td>
</tr>
<tr>
<td>4.</td>
<td>2010 – 2011</td>
<td>Power Grid Corp of India Limited</td>
<td>FPO</td>
<td>Electric network (power transmission)</td>
</tr>
<tr>
<td>5.</td>
<td>2010 – 2011</td>
<td>MOIL Limited</td>
<td>IPO</td>
<td>Manganese Ore</td>
</tr>
<tr>
<td>6.</td>
<td>2010 – 2011</td>
<td>Shipping Corp of India Ltd.</td>
<td>FPO</td>
<td>National and international shipping service</td>
</tr>
<tr>
<td>7.</td>
<td>2011 – 2012</td>
<td>Power Finance Corp Ltd. (PFC)</td>
<td>FPO</td>
<td>Financial services company</td>
</tr>
<tr>
<td>8.</td>
<td>2011 – 2012</td>
<td>Oil &amp; Natural Gas Corporation Ltd.</td>
<td>OFS</td>
<td>Oil, gas, and electric power</td>
</tr>
<tr>
<td>9.</td>
<td>2011 – 2012</td>
<td>NBCC (India) Ltd.</td>
<td>IPO</td>
<td>Project Management Consultant Engineering, Procurement, and Construction (EPC) Real Estate Development</td>
</tr>
<tr>
<td>10.</td>
<td>2012 – 2013</td>
<td>Hindustan Copper Limited</td>
<td>OFS</td>
<td>Mining</td>
</tr>
<tr>
<td>12.</td>
<td>2012 – 2013</td>
<td>Oil India Limited</td>
<td>OFS</td>
<td>Oil and gas</td>
</tr>
<tr>
<td>13.</td>
<td>2012 – 2013</td>
<td>NTPC</td>
<td>OFS</td>
<td>Electricity</td>
</tr>
<tr>
<td>14.</td>
<td>2012 – 2013</td>
<td>Rashtriya chemicals and Fertilizers (RCFL) Ltd.</td>
<td>OFS</td>
<td>Electronic</td>
</tr>
<tr>
<td>15.</td>
<td>2012 – 2013</td>
<td>NALCO</td>
<td>OFS</td>
<td>Water and chemical services</td>
</tr>
<tr>
<td>16.</td>
<td>2012 – 2013</td>
<td>Steel Authority of India Limited (SAIL)</td>
<td>OFS</td>
<td>Steel</td>
</tr>
</tbody>
</table>
After being elected as Indian Prime Minister, Narendra Modi has amended many changes in various sectors, one of them was the economic sector. Indian Prime Minister Narendra Modi carried out economic reforms by issuing two policies. First, change the Look East Policy to the Act East Policy. The Look East Policy is a policy that was born after the Cold War in the government of Indian Prime Minister Narashima Rao and Indian Finance Minister Manmohan Singh (Kshetrimayum Ranjan Singh & Ghanajit Singh, 2015). Look East Policy emphasizes to improve and establish economic relations between India and countries in Southeast Asia.

The Act East Policy was first announced by Indian Prime Minister Narendra Modi on November 13th, 2014, at the 9th East Asia Summit in Nay Pyi Taw, Myanmar (Fathullah, 2014). The Act East Policy does not change the focus of the Look East Policy that has been implemented for two decades. The Act East Policy is changing the direction of India to play a more strategic role in the global economic order and strengthening relations between Asia Pacific countries (Wijayanti, 2016). Besides, the change in Look East Policy to Act East Policy also aims to stem the dominance of China in the Asian (Fathullah, 2014).

Second, the Indian Prime Minister Narendra Modi launched the "Make in India" campaign because India has three promising D factors,
there are Democracy, Demography, and Demand. The “Make in India” campaign was first presented by Indian Prime Minister Narendra Modi at the commemoration of India's Independence Day, August 15th, 2014, as follows (A. I. Z. Iqbal, 2014):

‘For the world, FDI is an opportunity. My definition of FDI for people of India is First Develop India. I tell to the world, ‘Make in India’. You can sell your product anywhere, but you have to manufacture here. And for all of the Indian manufacturers, you don’t have to leave our country. This nation is yours. We want our companies to shine as multinational companies’.

'Make in India' campaign aims to attract foreign investors to invest in India. The 'Make in India' campaign focuses on improving the manufacturing sector. The more foreign investors are investing in India, it will have a positive impact on increasing the number of job vacancies and purchasing power for Indian society. Increasing the purchasing power of the community will balance the position between the rich and the poor (Engels, 2009).

The policy of opening doors for foreign investment through the Act East Policy and the 'Make in India' campaign have not had a positive impact on India. Indian political analysts predict that Modi’s vote at the 2019 elections will decline due to the promise of expanding employment that has not been fulfilled. The initial failure to expand employment did not dampen the enthusiasm of Indian people to elect Prime Minister Narendra Modi. In the elections on April 11th, 2019, the BJP was able to win 303 seats out of 543 seats in the Indian Parliament (Pathak, 2019).

After the inauguration of his second period on May 30th, 2019, Indian Prime Minister Narendra Modi said that he would intensify the 'Make in India' campaign to attract foreign investors. Policies intensification of the campaign 'Make in India' get opposition from the Indian businessmen groups (Taipan). The Indian businessmen groups (Taipan) consist of Ratan Tata (Tata Sons), Mukesh Ambani (Reliance Industries), Anand Mahindra (Mahindra & Mahindra), Gautam Adani (Adani Industries), Sunil Mittal (Bharti Airtel), Anil Agarwal (Vedanta), N Chandrasekaran (Tata Sons), AM Naik (L&T), Sajjan Jindal (JSW Group), Baba Kalyani (Kalyani Group) and Venu Srinivasan (TVS Group), Cyrus Mistry (Tata Group), Krishna Kumar (CEO Phillips India), Shantanu Das Gupta (The Vice President of Corporate Affairs and Strategy in Whirpool, India), and Kenichiro Yomura (President Nissan India) (Tesa
Taipan are the people who played a major role in the success of the Narendra Modi’s campaign in the 2014 and 2019 elections. The Indian businessmen groups (Taipan) has lost confidence in government regulations which are detrimental to their companies. During the first period of Indian Prime Minister Narendra Modi's, the foreign investment has not shown a significant increase. It’s could be the reason for the Indian businessmen groups (Taipan) to demand improvement of economic reforms in India (Government of India, 2019).

The Indian businessmen groups (Taipan) asked the Indian government to improve tax permits on goods and services that were rejected by states in India. The existence of domestic regulations in the states makes it difficult for investors to invest their capital. The Taipan also asking the Indian government to remove barriers in Indian states to create a national market without any restrictions. Also, the Indian government must simplify investment regulations in India and the states to create a 'one door' transition (Bureau, 2014).

Taipan also stated that India needs for infrastructure development, preparing logistics and skilled labor, and a centralized policy to help multinational companies expand manufacturing. The demands from the Indian businessmen groups received a response from the Indian Minister of Trade and Industry, Nirmala Sitharaman that the government under Prime Minister Narendra Modi will provide a 'red carpet' for investors and will immediately reform economic regulations that hamper investment (Bureau, 2014). Reforming economic regulations to facilitate foreign investors, increase trust from investors, and exploit the potential of Indian manufacturing by addressing domestic problems that hamper Foreign Direct Investment (FDI) inflows. The one of domestic issue that opposes investment is the issue of the special status of Kashmir. The demands given by the Indian businessmen groups were one of the reasons for Indian Prime Minister Narendra Modi to deliver on his campaign promises, there is revoking Articles 370 and 35A of the Indian Constitution.

The abolition of legislation in the state in order to create a free national market without any restrictions in accordance with the opinion of Marxism in the international political economy. Marxism declared the bourgeoisie to be increasingly improved to fix the fragmentation of the means of production and population. Related to creating
political concentration and means of production in a few hands. Related, regions that are independent or that have special autonomy and do not have a direct relationship with the central government will be released. Form a state that is sovereign with a government, a statutory regulation, a tax and customs tax, a territorial border, and class interest in the national class (Heywood, 2012).

The Revocation of the Special Status of Kashmir by Narendra Modi Administration

The first agenda after the inauguration of Indian Prime Minister Narendra Modi on May 30th, 2014, was to improve the economic order in India. The structure of economy has declined after the uncovered cases of telecommunications corruption which dragged the several ministers under Indian Prime Minister Manmohan Singh. In addition, the difficulty of foreign investment licensing procedures causes a decrease of Foreign Direct Investment (FDI) in India. Uncovering criminal acts of corruption and declining numbers of foreign investment have led to a decline in the credibility of Prime Minister Manmohan Singh's government (Wibisono, 2011).

The change of the Indian economic order in the era of Indian Prime Minister Narendra Modi was adjusted to the promises of his campaign in the 2014 and 2019 elections. The Indian Prime Minister Narendra Modi promised to build India as a stronger and more inclusive state (Rehia Sebayang, 2019). Therefore, the Indian Prime Minister Narendra Modi simplified foreign investment licensing and resolved domestic problems to increase foreign investor confidence. The one of the issues that are hampering of Foreign Direct Investment (FDI) in India is the Kashmir’s conflict.

Kashmir is like a stretch of heaven under the Himalayas that is crossed by the Indus River, the Zanskar River, and the Jhelum River. Kashmir also has a wealth of natural resources of emerald, gold, and pomegranate stones (Ahmed, 2018). Besides, Kashmir also the largest flower producer in India, especially tulips and saffron. Kashmir also used as a producer of silk and wool. However, Kashmir's wealth of resources cannot be utilized maximally (Ading Kurniawan, 2013). Because the position of Kashmir as protected by Article 370 of the Indian Constitution which guarantees special status for Kashmir. With this autonomy, the Indian government gave Maharaja Jammu-Kashmir the authority to govern its government. Kashmir is entitled to have its flag and its constitution that is different from
India (Sevea, 2019).

Article 370 of the Indian Constitution is included in an interim article which can be abolished by the Indian Constituent Assembly. After the Indian Constitution was approved, the Indian Constituent Assembly had dissolved itself and was transformed into a provisional Parliament of India in 1952. The transformation carried out by the Indian Constituent Assembly did not provide clarity for Article 370. In April 2018, the Supreme Court of India stated that Article 370 had been permanent in the Indian Constitution since the Indian Constituent Assembly dissolved (Mahapatra, 2018).

The privileged position of Kashmir was further strengthened by the issuance of Article 35A through an Indian Presidential Order in 1954 known as 'Constitutional Order No.48' (Lok Sabha, 2017). Article 35A regulates the definition of citizenship for the people of Kashmir, basic rights, ownership of property, and administrative status (Gupta & Ojha, 2018). Thus, only Kashmir's permanent residents that can stay, buy the property, and utilize the natural resources in Kashmir. Articles 370 and 35A become controversial because they make imbalances between one state and another.

The Indian Prime Minister Narendra Modi tried to improve the structure of the Indian economy and people's lives in Kashmir through a meeting with the People’s Democratic Party (PDP) led by Mufti Mohammad Sayeed in February 2015 (Parsai, 2015). PDP is a party that has control in the Kashmir. The meeting resulted in a coalition agreement between the Bharatiya Janata Party (BJP) and the People’s Democratic Party (PDP) through the formation of the 'Agenda of Alliance'. This coalition will bring the BJP to occupy the Muslim-majority Kashmir region as the first achievement in history. The coalition between the BJP and PDP places Mufti Mohammad Sayeed from PDP as Maharaja Jammu & Kashmir, BJP as his representative, and BJP has 24 seats and PDP has 28 seats in the Kashmir parliament (BBC, 2016).

The Alliance Agenda has been compiled by the BJP and PDP on the reform of governance, security, politics, economic, and social development (India, 2015). The coalition agenda aims to create peace, challenge, and growth in the Kashmir. One of the coalition government policies included in the Alliance Agenda is the replacement of Kashmiri Pandit and the construction of Hindu settlements on April 9, 2015. Kashmiri Pandit is a Hindu minority in Kashmir who needs help during the eradication, rape, and torture of
Hindus in Kashmir in 1989. Conditions of return Kashmir Pandit group has been approved by APMCC (All Party Migrant Coordination Committee) (Rashid, 2017).

The BJP and PDP coalition government did not stay long. After Mufti Mohammad Sayeed died on 7 January 2016, the position of Chief Minister of Jammu and Kashmir was replaced by his daughter, Mehbooba Mufti (BBC, 2016). In her period, Kashmir experienced a change in security stability. Especially after the death of Burhan Wani, the leader of the separatist militant group Hizbul Mujahideen who was shot in Kokernag, Kashmir by the Indian Police and Kashmir Police on July 8, 2016 (Nababan, 2016). The Indian and Kashmir Police said that killing Burhan Wani was to be the biggest success of the country's security campaign against the separatists. This event triggered clashes and fights at the Indian military headquarters and around the Line of Control (LoC). Relations between India and Pakistan were heating up, followed by diplomatic expulsion.

The separatist militant attacks on Hindu pilgrims that killed 7 people on July 10th, 2017, further aggravated the Kashmir situation (Saju, 2017). The Chief Minister of Jammu and Kashmir, Mehbooba Mufti was unable to reduce the violence that occurred in Kashmir. This caused a break in the coalition relations between the BJP and PDP in early 2018. On June 19th, 2018, the national secretary-general of the Bharatiya Janata (BJP) party, Ram Madhav, broke the coalition's relations with the PDP. The BJP also encouraged Mehbooba Mufti to hand over Kashmir's power to the President. Until finally, Mehbooba Mufti resigned from his position as Chief Minister of Jammu and Kashmir and gave up his authority over Kashmir to the President of India (Hebbar, 2018).

The coalition of BJP and PDP as a tool for Indian Prime Minister Narendra Modi to realize his main goal, which is to do national reconciliation, build trust, and create peace in the Kashmir. The Indian Prime Minister Narendra Modi used the momentum of Mehbooba Mufti's resignation as Chief Minister of Jammu and Kashmir to realize his campaign's promise of revoking the special status of Kashmir stipulated in Articles 370 and 35A of the Indian Constitution (Dutt, 2019).

The Indian Government, through the President of India, made amendments to Article 367 of the Indian Constitution to avoid legal defects in revoking the special status of Kashmir. The action is supported by Clause I Article 370 of the Indian Constitution which gives the authority
to modify the Indian Constitution relating to the Jammu and Kashmir issues. Therefore, the President of India added a new clause in Article 367 which is closely related to the interpretation of the Indian Constitution. The President of India replaces the phrase 'Constituent Assembly of State' into 'State Legislative Assembly' (Bhatia, 2019). The existence of the State Legislative Assembly which has been suspended, so everything that is referred to the State Legislative Assembly will be interpreted to the Governor of Jammu and Kashmir. The governor is someone chosen by the central government to lead an area. The power of Governor Jammu and Kashmir has been handed over to the President of India, so the position of the State Legislative Assembly is in the hands of the Indian Parliament.

The Indian Government through the Indian Minister of Home Affairs gave a resolution from Rajya Sabha (Indian Parliament) to the President of India to revoke the special status of Kashmir. Then, the Indian President issued a Presidential Order in August 2019 which replaced the position of the Presidential Order 1954, stating that all the provisions in the Indian Constitution apply to Jammu and Kashmir (Hindustan Times, 2019b). This means that the position of Articles 370 and 35 A of the Indian Constitution was revoked by the Indian government on August 5th, 2019. Revocation of the special status of Kashmir was wrapped in the Indian Reorganization Bill.

The August 2019's Presidential Order and the Reorganization Bill were included in the discussion at Rajya Sabha (Indian Upper House) on August 5, 2019, with the final result of 125 or 67% of votes supporting and 61 or 33% rejecting (Hindustan Times, 2019b). On August 6, 2019, the decision of Rajya Sabha was brought up in the Lok Sabha (Indian Lower House) with the final result of 351 or 86% of votes supporting and 72 or 14% of rejecting (Hindustan Times, 2019a). The support came from the Bharatiya Janata Party (BJP) as the ruling party, Bahujan Samaj Party, Aam Aadmi Party, AIADMK, Telegu Desam Party, and Shiv Sena. While the policy was opposed by the Indian National Congress (INC), the Jammu & Kashmir National Conference, the Jammu & Kashmir People's Democratic Party, the Trinamool Congress, Janata Dal, and DMK (India TV News Desk, 2019). Based on the hearings in Rajya Sabha and Lok Sabha, the special status of Kashmir that stipulated in Articles 370 and 35A of the Indian Constitution was officially revoked by the Indian government.
The revocation of the special status of Kashmir was carried out by the Indian government using aggressive measures. The Indian government sent thousands of security forces to Kashmir ahead of the announcement of revoking the special status of Kashmir. Besides, the Indian government issued a ban on tourists to enter Kashmir and issued orders for tourists to leave the Kashmir immediately. The government also implemented a restrictive policy for Kashmiris, which banned public gatherings, 300 Kashmiri politicians and activists were sentenced to detention, and termination of telephone and internet networks (Ita, 2019). The actions taken by the Indian government are contrary to human rights values. However, aggressive actions carried out by the Indian government aimed to prevent the violence carried out by anti-nationalist groups. The Indian Prime Minister Narendra Modi said that the end of Kashmir's special status would provide convenience and opportunities for Indians outside Kashmir to utilize the resources in Kashmir. Thus, Foreign Direct Investment (FDI) can enter the Kashmir region and help economic growth in the region.

The Impact of Revoking the Special Status of Kashmir on the Economic of India

After the revocation of Kashmir's special status, Prime Minister Narendra Modi held a closed meeting with a group of Indian conglomerates to increase economic growth, investment, and employment on January 7th, 2020. The meeting was attended by Ratan Tata (Tata Sons), Mukesh Ambani (Reliance Industries), Anand Mahindra (Mahindra & Mahindra), Gautam Adani (Adani Industries), Sunil Mittal (Bharti Airtel), Anil Agarwal (Vedanta), N Chandrasekaran (Tata Sons), AM Naik (L&T), Sajjan Jindal (JSW Group), Baba Kalyani (Kalyani Group) and Venu Srinivasan (TVS Group) (Kumar, 2020). Apart from that, the Jammu & Kashmir government has also held an investor meeting before attending the Global Investors Summit. During the meeting, Prime Minister Narendra Modi said that the Jammu and Kashmir region had 324 investment opportunities worth the US $609.57 billion as follows:
The investment opportunities presented by Prime Minister Narendra Modi when holding the first meeting with investors emphasized the four investment sectors. The four investment sectors are transportation, energy, social infrastructure, and public infrastructure. The transportation sector opens up 151 investment opportunities, the social infrastructure sector opens 41 investment opportunities, the public infrastructure sector opens 31 investment opportunities, and the energy sector opens 29 investment opportunities. The investment projects from the four sectors, there are:

**Tabel 2. Jammu & Kashmir Investment Project Opportunities**

<table>
<thead>
<tr>
<th>No</th>
<th>Investment Sector</th>
<th>Investment Project</th>
<th>Investment Opportunities</th>
<th>Investment Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Transport</td>
<td>Railway Track</td>
<td>87</td>
<td>US$ 36.96 Billion</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td>Roads and Bridges</td>
<td>36</td>
<td>US$ 59.94 Billion</td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td>Railway Rolling Stock</td>
<td>14</td>
<td>US$ 37.65 Billion</td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td>Railway Terminal Infrastructure</td>
<td>5</td>
<td>US$ 150.87 Million</td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td>Airport and Aviation Infrastructure</td>
<td>1</td>
<td>US$ 149.88 Million</td>
</tr>
<tr>
<td>7.</td>
<td>Social Infrastructure</td>
<td>Education Infrastructure</td>
<td>21</td>
<td>US$ 20.58 Billion</td>
</tr>
<tr>
<td>8.</td>
<td></td>
<td>Medical Infrastructure</td>
<td>10</td>
<td>US$ 9.43 Billion</td>
</tr>
<tr>
<td>9.</td>
<td></td>
<td>Affordable Housing</td>
<td>9</td>
<td>US$ 54.76 Billion</td>
</tr>
<tr>
<td>10.</td>
<td></td>
<td>Sport Infrastructure</td>
<td>1</td>
<td>US$ 3.41 Million</td>
</tr>
<tr>
<td>11.</td>
<td>Commercial Infrastructure</td>
<td>Common Infrastructure</td>
<td>17</td>
<td>US$ 4.81 Billion</td>
</tr>
<tr>
<td>12.</td>
<td></td>
<td>Post Harvest Storage Infrastructure</td>
<td>5</td>
<td>US$ 10.38 Billion</td>
</tr>
<tr>
<td>13.</td>
<td></td>
<td>Cold Chain</td>
<td>4</td>
<td>US$ 545 Million</td>
</tr>
<tr>
<td>14.</td>
<td></td>
<td>Terminal Markets</td>
<td>3</td>
<td>US$ 1.7 Billion</td>
</tr>
<tr>
<td>15.</td>
<td></td>
<td>Soil Testing Laboratories</td>
<td>2</td>
<td>US$ 175.35 Million</td>
</tr>
<tr>
<td>16.</td>
<td>Energy</td>
<td>Electricity Generation (Renewable)</td>
<td>14</td>
<td>US$ 146.53 Billion</td>
</tr>
<tr>
<td>17.</td>
<td></td>
<td>Electricity Distribution</td>
<td>5</td>
<td>US$ 45.38 Billion</td>
</tr>
<tr>
<td>18.</td>
<td></td>
<td>Electricity Generation (Non-Renewable)</td>
<td>5</td>
<td>US$ 42.96 Billion</td>
</tr>
<tr>
<td>19.</td>
<td></td>
<td>Electricity Transmission</td>
<td>4</td>
<td>US$ 18.82 Billion</td>
</tr>
<tr>
<td>20.</td>
<td></td>
<td>Oil/Gas/LNG Storage</td>
<td>1</td>
<td>US$ 18.994 Million</td>
</tr>
</tbody>
</table>

Sumber: (Trade, 2020)
The revocation of Kashmir's special status encourages the local Indian investors to invest in the industrial sector of Rs 900 crore. This investment will open 50,000 jobs for the Indian people, especially in the Kashmir Valley region (Akmali, 2020). Based on the results of the investor's first meeting, the Government of India and the Government of J&K successfully signed 150 Memorandums of Understanding (MoU) worth the US$ 1.8 billion with investors. Apart from economic development, the Indian government is also build the Indian Institute of Medical Sciences, 50 educational institutions, and a government scholarship scheme for 500,000 students. It will be the right to education for people in the Kashmir Valley which previously could not be fulfilled due to the existence of Article 370 and Article 35A. The Government of India also created the Indian Prime Minister's Employment Generation Program, a subsidized program by providing credit to encourage micro-entrepreneurial opportunities in the non-agricultural sector. For example is the formation of the Khadi Village Industries Board (KVIB) which is engaged in textiles (Berty, 2020).

Also, Prime Minister Narendra Modi encouraged tracing the potential for gas and oil after stopping since 1963. The policy taken by Prime Minister Narendra Modi was aimed at reducing India's oil imports from 10% to 77% before 2022 (Taneja, 2015). This policy aims to increase domestic oil production. Besides, Pakistan is confident in finding 50 oil and gas sources in the Jhandial Well, Ikhlas Block, North Potwar. Drilling yielded 21 million cubic feet of gas and 2,520 barrels of oil per day with a 40/64 choke size, 19 million cubic feet of gas, and 2,160 barrels of oil per day at a 32/64 choke, as well as 16.5 million cubic feet of gas and 16.300. barrels of oil per day on choke sizes 28/64 (Disk, 2017). The success of Pakistan is what spurred Prime Minister Narendra Modi to challenge the oil industry to find the latest sources of oil and gas in the Riasi and Poonch areas along the Chenab River in the Line of Control (LoC) area.

Oil and Natural Gas Corporation (ONGC) has begun exploratory expansion in the Kashmir region to support Prime Minister Narendra Modi's goals. The exploration carried out by ONGC was carried out after receiving a large financial injection from the tycoons. Also, this exploration was carried out with assistance from the Indian Army considering the exploration area was along the Line of Control (LoC) (Taneja, 2015).

The potential was discovered in a study conducted in November 2018 by
the Research Team. The research team consisted of India represented by The University of Jammu, Maghreb Petroleum Research Group, Pakistan, Italy represented by Ente Nazionale Idrocarburi, and England represented by researchers from University College London and Oil and Natural Gas Corporation (ONGC). The potential for oil and gas hydrocarbons which have become one million to one million years is contained in the Himalayas of northwest India and Pakistan. This potential has not been exploited massively due to the structural complexity and difficult terrain, as well as the conflicts that occurred in the Kashmir Valley region between India, Pakistan, and separatist groups (Hakhoo, 2018).

Revocation of the special autonomy status of the Kashmir region is often linked to Prime Minister Narendra Modi's efforts to raise Hindu supremacy over the Islamic minority. This is based on the Bharatiya Janata Party (BJP) ideology which upholds Hindustavism. Behind all that, the main objective of the repeal of Articles 370 and 35A is economic interests to open facilities for investors as demanded by the Indian business group through the Bharatiya Janata Party (BJP) as an effort to expand the use of Kashmir's natural resources for the majority of the Hindu population.

CONCLUSION

In the era of Indian Prime Minister Narendra Modi, India made a change in their foreign policy and economic reform. The Indian Prime Minister Narendra Modi carried out economic reforms by issuing two policies. First, change the Look East Policy to the Act East Policy. The Act East Policy is changing the direction of India to play a more strategic role in the global economic order and strengthening relations between Asia Pacific countries. Second, the Indian Prime Minister Narendra Modi launched the "Make in India" campaign aims to attract foreign investors to invest in India. The 'Make in India' campaign focuses on improving the manufacturing sector. The ‘Make in India’ campaign is getting demands from the Indian businessmen groups (Taipan). Taipan are the people who played a major role in the success of the Narendra Modi's campaign in the 2014 and 2019 elections. The Taipan asked the Indian government to improve tax permits on goods and services that were rejected by states in India. The existence of domestic regulations in the states makes it difficult for investors to invest their capital. The Taipan also asking the Indian government to remove barriers in Indian states to create a national market without any restrictions. The one of the domestic
problems in India is the Kashmir’s special status. So, the Indian Prime Minister Narendra Modi decided to revoke the Kashmir’s special status to increase the investment.

The political process carried out by the Prime Minister Narendra Modi to realize economic interests of Taipan who helped economic growth are; (1) the Bharatiya Janata Party (BJP) as a bearer party of Prime Minister Narendra Modi form a coalition with the PDP to propitiate the people of Kashmir and decided the coalition and urged the Governor of Jammu and Kashmir, Mehbooba Mufti to cede authority over Kashmir to the President of India; (2) the President of India to amend Article 367 of the Indian Constitution to avoid any legal defects in the revocation of the special autonomy status of Kashmir. These changes occurred by replacing the phrase "State of the Constituent Assembly 'by' the Legislative Assembly of the State'; and (3) Insert the special autonomy status revocation policy of Kashmir into the Indian Reorganization draft form.

The revocation of Kashmir's special status aims to bring local and foreign investment to cultivate and utilize the existing resources in Kashmir. Before the implementation of the revocation of Kashmir's special status, only the indigenous people of Kashmir could rely on resources. The success in revoking Kashmir's special status brought the investments into Kashmir. The investments are with the signing of 150 Memorandum of Understanding (MoU) of US $ 1.8 billion. Also, Prime Minister Narendra Modi opened 324 investment opportunities and encouraged oil and gas companies to search and explore oil and gas in Kashmir.

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