Deep State and Its Impacts

For Prelims: <u>NGOs</u>, <u>WTO</u>, <u>Data Privacy</u>, <u>CBI</u>, <u>ED</u>, <u>National Investigation Agency</u>, <u>Freedom of</u> <u>Speech</u>, <u>Tax Haven</u>, <u>Foreign Contribution (Regulation) Act (FCRA)</u>, <u>NSA</u>, <u>Cybersecurity</u>.

For Mains: Role of deep state in security and integrity of India.

Source: HT

Why in News?

Recently, the controversy over an alleged **transnational deep state** to destabilize governments in different countries raises **critical questions**.

What is a Deep State?

- About: It refers to a shadowy hybrid network of governmental, corporate, and nongovernmental elites who wield enormous power, control policymaking, undermine elected politicians, and thwart the interests of common people.
 - Foreign governments selectively pursue promotion of democracy, human rights, and liberal values in certain countries based on their interests.
- Background: It derives its name from the Turkish term "derin devlet", which literally translates to "deep state" in English. In Turkey, it refers to non-elected elements dominating the democratically elected government.
 - In **Pakistan**, "deep state" refers to a government controlled by **powerful military** leaders.
- Functioning of Deep State:
 - **Regime Change:** Stephen Kinzer's book, **Overthrow**, chronicled a **"century of regime change" missions** carried out by the US on multiple continents. E.g., the removal of **Bangladesh's Sheikh Hasina regime** is being blamed on the American deep state.
 - **Think Tanks:** The use of **think tanks**, <u>NGOs</u>, **and biased media** create conditions for political changes favored by the governments. E..g, **Colour revolutions** in Georgia (2003), Ukraine (2004) and Kyrgyzstan (2005).
 - Former Pakistan Prime Minister Imran Khan accused foreign powers of toppling his government.
 - Colour revolutions organised **unarmed public uprising** aimed at discrediting and replacing a regime.
 - Conflict and Wars: Defense companies, such as Lockheed Martin, Raytheon, Boeing, and Northrop Grumman hugely benefit from supply of weapons, ammunition, and military technology.
 - Corporates pursue their interest and plunge nations into wars only to increase demand for their weaponry. E.g., demand for weapons by Ukraine due to the <u>Ukraine War</u>.
 - **Economic Influence:** Lobbying for **market access** and regulatory frameworks favorable to businesses of interested countries. E.g.,

- Pressurising countries at <u>WTO</u> trade negotiations to open their agricultural markets to imported products.
- After the <u>Soviet Union'</u>s fall, former Soviet states and Latin American communist countries shifted from **state-run economies into a free-market economy.**
 - However, it failed to generate desired results and resulted in shock therapy.
 - Shock therapy is an economic theory that says that sudden, dramatic changes in national economic policy can turn a state-controlled economy into a free-market economy.
- **Surveillance: Edward Snowden** revealed that the US's National Security Agency (NSA) carried out **surveillance** in developing countries **like in Asia and Africa.**
- **Media and Narrative:** Reports of **Western media outlets** misrepresents certain issues in India (e.g., **religious intolerance, Kashmir**) to pressure the government on human rights.
 - Amnesty International accused the Indian government of adopting discriminatory laws against religious minorities.
- Cyber Influence: Companies with influential market dominance like Google and Facebook influenced countries regulations on <u>data privacy</u> and taxation.
- **Civil Society Movements:** Funding civil society groups like **Greenpeace India** against India's **coal and energy projects** in the name of human rights, or climate change, their alleged involvement in farmers' movement.
 - An Intelligence Bureau report has accused "foreign-funded" NGOs such as Greenpeace to have negatively impacted <u>GDP growth by 2-3%</u>.
- Damaging International Image: The countries with vested interest present Indian ethnic people in devil roles like villains in movies to frame a bad outlook.
 - Countries also make unsubstantiated allegations against other countries. E.g., Canada alleging India's role in killing of Khalistani terrorists.

Allegation of Deep State of India

- Pulitzer Prize winning journalist Steve Coll said that India has a form of deep state, mainly involving the Indian Foreign Service rather than intelligence agencies or the military.
- Journalist Josy Joseph in his book The Silent Coup: A History of India's Deep State, argues that there is "a State within a State" that biases against the weaker sections of society.
 - He also includes the <u>National Investigation Agency (NIA)</u> among the agencies allegedly running the deep state.
- However, such allegations have been rejected by the government which believes in <u>Panchsheel</u> <u>principles</u> and <u>Vasudhaiva Kutumbakam</u> (The World Is One Family).

How Deep State Influences Countries?

- Political Philanthropy: People with huge financial resources use NGOs as a facade like Open Society Foundation (OSF) and advocate for "open societies," meaning a push for regime changes.
 - They openly criticized nations like India, Russia, China, Israel, and Hungary, accusing their leaders of fostering a narrative of totalitarian regimes.
- Educational Initiatives: Many NGOs offer scholarships and fellowships that ensures that those in
 positions of influence—bureaucrats, journalists, and policymakers—are sympathetic to their
 causes like fake environmental activism to disrupt economic growth.
- Interference in Domestic Politics: The anti-incumbent sentiment and criticism of a country's internal policies, particularly regarding <u>freedom of speech</u>, religious rights, and governance, have often been amplified by NGOs with vested interests.
- Financial Leverage: Deep state also influences economic policies. They are involved in major financial events, like breaking the Bank of England and contributing to the Asian Financial Crisis, using financial leverage to destabilize economies.
 - Hindenburg Research accused businesses in developing countries (India and China) of

engaging in extensive **accounting fraud, stock price manipulation, and exploiting** <u>tax havens</u> to destabilise India's Stock market. E.g., Allegations against Adani group.

• Hindenburg also engaged in the practice of **short-selling** i.e., a strategy where the firm takes a **position predicting the decline** of a company's stock price for making profits.

Way Forward

- Stronger Regulation: India needs to tighten oversight and enforce stringent regulations on foreign-funded NGOs through the <u>Foreign Contribution (Regulation) Act (FCRA)</u>.
 - **Nonprofit organizations (NPO)** also need to share their **receipt and payment accounts** with the government along with the audited accounts.
- National Security Awareness: Boost national security awareness to counter foreign attempts to influence domestic politics through think tanks, media, and civil society movements.
 - **NSA** Ajit Doval emphasized the importance of a strong counter-narrative on social media to safeguard the morale of India's defense forces and uphold national integrity.
- Indigenous Think Tanks: India should develop indigenous think tanks and media platforms to promote national interests and prevent external entities from monopolizing narratives.
- Diplomatic Engagement: India should strengthen diplomatic ties with like-minded countries and organizations to build a network of allies and protect its political landscape from destabilizing efforts.
- Data Sovereignty: Strengthening India's <u>cybersecurity</u> and controlling its digital spaces is key to mitigating foreign influence, especially from tech giants like Google and Facebook.

Drishti Mains Question:

How does the concept of the 'deep state' influence the political and economic landscape? Discuss the strategies countries can adopt to counter such influence.

<u>Mains</u>

Q. Can Civil Society and Non-Governmental Organisations present an alternative model of public service delivery to benefit the common citizen? Discuss the challenges of this alternative model. (2021)

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