CITIZENSHIP AMENDMENT ACT, 2019 (CAA): THE PERNICIOUS EFFECTS ON THE COUNTRY

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Abstract: This study aims to bring about the pernicious outcomes of Citizenship Amendment Act (CAA), 2019. It intends to dispense the facts and statements on different significant aspects like economy, employment, foreign relations and international trade. The study compares the economic condition of the country preceding and following the introduction of the law. This research is an attempt to explore the relationship between religious intolerance and the overall development of the country. Using the existing established links from different studies conducted by researchers, economists and financial analysts, between the economy of a country and such laws based on religious grounds, it tries to analyze and analogize its outcomes concerning India. It explains how CAA can take India on an expedition to its past in terms of financial stability. This research proposes to state the social conflict and the obstacles that the country is experiencing as a consequence of the newly established law.

Index Terms - Citizenship Amendment Act, economy

INTRODUCTION

Prior to the 2014 Lok Sabha elections, when the Bhartiya Janta Party (BJP) was seeking to come into power and tumble-up the Congress Party from the UPA government; it promised to grant citizenship to Hindus persecuted in the neighbouring countries. The party’s manifesto included pledges to offer shelter to the Hindus and welcome the refugees. After coming into power, the Citizenship Amendment Bill (CAB) was drafted by the Narendra Modi Government in its first term in 2016. This bill which is now referred to as the Citizenship Amendment Act (CAA), 2019 is an amendment made within the Citizenship Act of 1955 (India Today, 2019). This bill was passed in the upper house of the parliament on December 11, 2019. Under this law, it all allows Indian Citizenship to the people of six religious minority communities which include Hindu, Sikh, Buddhist, Jain, Parsi and Christian. These communities encountered religious prosecution or the fear of religious persecution in the country of their origin which eventuated in their fleeing from the Muslim majority neighbouring countries of Pakistan, Afghanistan and Bangladesh. The law aims to provide fast track Indian citizenship in six years to these people who entered the country on or before December 31, 2014. The amendment also relaxed the residence requirements of eleven years to five years.

The point that grabs the attention here is that the legal code excludes the religious minority community of the Muslims. The centre government stated that the law safeguards the minority groups who have come to India, escaping the prosecution in Muslim majority countries. “CAA is not a favour. It will protect the interests of people reposing faith in Bharat Mata”, said the Prime Minister (Ramesh Pokhriyal, Outlook India). However, the logic does not seem to be consistent as the residing Muslim minorities are restricted from the benefits of the law. This led to the impulsive protests in numerous parts of the country. Distinct newspapers have published innumerable blogs and articles about CAA; if it breaches the Secularism enshrined in the Preamble of the Indian Constitution or if it is against the Fundamental Right to Equality given under the Article 14 of the Indian Constitution. Noticeably many leaders, ex-judges and prominent groups like Muslim body Ulama-i-Hind, Peace Party, All Assam Students Union (AASU) have even filed petitions against CAA in the apex court challenging the constitutional validity of the Act (Times of India).

Prevalently, for the citizens of a country, new laws that are introduced and their effects on the country’s inevitable aspect like the economy is of major concern, and similar is the case with CAA. The impact of this law is not just restricted to the economy, inflation or employment but extends to the social harmony, international trade and foreign relations. There are many questions, assumptions and assertions arising as repercussions to this decision laid by the current ruling party. As per the authentic reports and statistical data considered from reliable sources, the country has seen an overall major downfall like never before in history.
Such contentions of the social stakes, massive protests in the country and the exigent effects of the law on the country's economy and peace have led to the contemplation of this study. Ramifications of any such newly enforced constitutional rules hugely affect a country in many aspects internally and externally. “Global experience shows that religious polarization and strife is unhealthy for economic growth and that social harmony is a vital input for an economy to soar.” (The Economic Times, 2019) This study talks about how the Citizenship Amendment Act, 2019 can entail pernicious consequences on the account of altering the equation of citizenship in India. Thus, this research thrives to provide its readers with the facts and statements to understand how deeply one law can influence in shaping the future of a country.

LITERATURE REVIEW

A Brief History

The rationale to amend the Citizenship Act of 1955 is deeply related to the history of India. Before the Lok Sabha elections in 2014, BJP vowed to grant citizenship to Hindus prosecuted in the neighbouring nations. As a result, a couple of policies were formed based on the religion under the National Democratic Alliance (NDA) that came into power in 2016 to provide benefits to the Hindu communities from neighbouring nations who took shelter in India. These included three major reforms, firstly, in September 2017, the Union Home Minister had cleared a proposition to allow citizenship to the Chakma and Hajong outcasts in Arunachal Pradesh. Secondly, in March 2018, the illicit migrants, Muslims excluded, from Bangladesh, Pakistan and Afghanistan were given the right to possess the property for trade or residence. Furthermore, in 2019, the External Affairs Ministry of India reported concessions to minorities from Bangladesh, Pakistan and Afghanistan in the event if they overstayed their visas. However, such policies went unnoticed until the alterations were made in the citizenship equation of India (Prabhash K Dutta, India Today).

The proposal to amend the Indian Citizenship Act, 1955 was considered in July 2016 under the Prime Minister, Narendra Modi. The constitutional proposal was given under Bill No. 370-C of 2019. This bill was passed in the Lok Sabha on January 8, 2019, despite the intense dissent and objection of the opposition party. Later, on December 11, 2019, the bill was approved in the Rajya Sabha altering the Citizenship Act of 1955. This law reformed the equation of citizenship in India. The law asserts that any person belonging to the religious communities of Hindu, Sikh, Buddhist, Jain, Parsi and Christian who fled from neighbouring Muslim majority countries of India; Pakistan, Afghanistan and Bangladesh due to religious prosecution or the fear of prosecution on or before December 31, 2014, is eligible for Indian Citizenship. The act also eliminates the requisite for neutralization from less than eleven years to less than five years.

The arbitrary basis of religion in the formation of the law has led to conundrums of Secularism in India. The law focuses on the moral obligation to look after vulnerable immigrants and refugees of the non-Muslim minority groups. However, it relentlessly ignores Muslim minority community. This adoption of religion as the criterion of devising and executing the law is against the secular character of the Indian Constitution. Moreover, according to the Indian jurisprudence, every citizen of India or non-resident Indian should be treated equally in the eyes of the law (Shithole 2020). Thus, it violates the Fundamental Right to Equality before the law stated under Article 14 of the Constitution of India.

The Indian Economy; pre and post the imposition of CAA

The economy of India is identified as a developing market economy. It is the world’s fifth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP) (Economy of India, Wikipedia). Preceding the Citizenship Amendment Act, 2019, there have been multiple reforms brought into force by the Government of India (GOI) which have directly affected the economy. The expense of annulment of Article 370 is approximated to be more than Rs 17,000 crores to the economy of Kashmir only. Other existing policies of Demonetization and GST had an aberrant effect of 2–3% of the GDP development. Hence, the drawn-out effect of such a hyper movement like CAA and absence of monetary steadiness has incurred significant damage in the economy. It has built social and financial disparity (CryptAnon, Medium).

CLSA Ltd. (formerly known as Credit Lyonnais Securities Asia) published reports that exhibit the effects of the law on different aspects and predicts the upcoming trends.
The information which is given above in the bar graph warns about the alarming decline in the growth of India’s Gross Domestic Product (GDP). As per CLSA, the national income has hit its lowest in 2019 since the past six years. The GDP was predicted to bounce back soon. However, considering the current scenarios induced due to various new policies and laws within the country, there seems more tumbling up of the national output.

According to CLSA chart (Figure 2), India has witnessed steepening downtrend signalling a sustained investment downswing in November, 2019 (Business Insider India). CLSA has analyzed the changes in the figures related to bank credit and money supply. It has coupled such outcomes with the freshly amended laws like CAA. The effects of laws based on religious grounds have a significant impact on the economy. Researchers from the University of Bristol have established a significant link between secularism and the economy. Their study confirms that secular nations can expect their future economic development. Thus, CAA can act as a hurdle in the growth output for the country.
"The powerful public backlash (against the Citizenship Amendment Act) will exacerbate domestic demand prospects over the coming months", says CLSA (Business Insider India). In India, high unemployment rates are resulting in the lower expenditure which generally leads to inflation. This vicious cycle is catalyzed due to the recent policies introduced. Less bank credit, low job prospects will lead to further shoot in prices. Consequently, India witnessed a high inflation rate in the first quarter of the year 2020.

Threats imposed on the Indian Economy due to CAA

The country was widely bombarded with vandalism and opposition compromising the social harmony and peace internally. However, the outcomes are not restricted within the boundaries of the nation alone. The consequences of CAA on the foreign relations of the country have been terrible, expressed Shashi Tharoor (Ani, Economic Times, 2019). Unfortunately, the law has affected the international trade and relations of the country. Numerous venture capitalists are in a dilemma whether to put their assets into a country with disrupted social harmony or not. The billionaire, Tim Dapper is one of Silicon Valley's most famous personalities who currently invests in India through Blume Ventures but now has raised concerns about his funding plans in India (Sanchita Dash, Business Insider India).

Before the law was introduced, external affairs minister, S Jaishankar discussed India’s decision to bring CAA into force in the European Summit in Brussels. The diplomats, however, decided on the deferral of the voting against CAA (Dipanjan Roy Chaudhary, The Economic Times). Clearly, at the international level also the discussion on this controversial law was postponed.

“India has isolated itself through CAA”, stated the former Foreign Secretary Shivshankar Menon stated in a conference that India has gifted its adversaries a platform to attack the country (Economic Times). This statement holds utmost logic as the alterations in the citizenship equation based on religion is criticized globally. The law is at odds with the international conventions on civil, political and human entitlements. Therefore, CAA doesn’t enjoy the majority of worldwide support. Considering that India is a developing country, cutting off its ties and isolating itself from the world is like digging a pit hole and gradually moving towards it.

Many economists have established a relationship between the blooming of religious fundamentalism and flourishing economy. “Religious change preceded economic change in the 20th century”, a study published by the researchers from the Universities of Bristol (UK) and Tennessee (US). The study determined and exhibited the link between secularism and economic growth (Business Today). This study measures the importance of religion in 109 countries on the economy. It proves that a decline in religion, results in a country's future economic growth (Science Daily). Furthermore, the information given on financial matters underlines the significance of social union and trust. These are elusive, however basic for the growth of a country's economy.

Financial analysts K Peren Arin, Nicola Spagnolo and Murat Koyuncu developed an ethnic by racial tension index in the US utilizing the number of news stories in significant papers in that nation with racially delicate and scornful words. They found that ethnic and racial strains diminished monetary development, particularly in a slowdown. Similarly, in India, the violent protests against CAA can pave the way for deceleration of the economy (Neeraj Kaushal, The Economic Times, 2020).
Other Outcomes

CAA has supervened complications among India’s ties with South Asian neighbour, Bangladesh. When highlighted the reason behind the need of the law in the Parliament, Bangladesh was added in the list along with Pakistan and Afghanistan where non-Muslim minorities face religious prosecution. As a result, Bangladesh’s Foreign Minister A.K. Abdul Momen cancelled his visit to India. This was followed by the postponement of other meetings on international affairs (Amit Ranjan, The Diplomat).

Consequently, right after the law was enforced, the nation was shaken by the violent expositions coming from citizens, various organizations and educational institutions. These nationwide protests took place to raise people’s voice to discord to the government’s orders associating the Citizenship Amendment Act, 2019. Surprisingly, there were around 60 petitions that were pending in the Supreme Court even before the act was legally notified and passed (Japnam Bindra, Live Mint). Moreover, within a day of the enforcement of the law, many petitions were filed in the Supreme Court challenging the validity of the legal code.

The resistance to the newly introduced rule was extremely high. As observed, during the 2020 pandemic situation, the dissenters adopted the symbolic protest methods to oppose CAA (The Hindu, 2020).

Figure 4 (Source: India Today, 2020)

A majority of Indians believe that to deflect the public from the paramount concerns like inflation spike and income prospects, the government has introduced recent policies like CAA. The poll undertaken by India Today found that 43% of the people who responded had the same opinion (India Today). Another report analysis shows that 42% Hindus and 55% Islamic faith respondents across India believed that the amendment in the Citizenship Act was an attempt to divert the attention of people from serious issues like inflation and unemployment (Sandhya Keelery, Statista, 2019).

RESEARCH GAP

After carrying an intensive research on the topic The Citizenship Amendment Act (CAA), 2019 and reading so many related articles and research papers, it was discovered that no single material available clearly states and explains the relationship between laws like CAA and the economy and the other important aspects like international trade and relations. Nowhere, these resources talk about its effect on the Gross Domestic Product (GDP), and inflation. However, many studies and articles have comprehended the connection between the laws based on religious grounds on the economic development of a country. So, this research provides information gathered on the uncovered aspect about CAA. It strongly establishes a link a cause and effect relationship between CAA and the Indian Economy.

OBJECTIVES

The study ensures awareness and a better understanding of the law for its readers. This paper will help the audience learn about the effects of CAA on the economy and discover the possible future threats possessed by the law on India.

RESEARCH METHODOLOGY

This study can be characterized as an exploratory research design as the topic which is investigated had a limited number of studies on it. Under this research, a cause-and-effect relationship was established. This was achieved using primary and secondary data collected from different sources. Upon embarking of this exploration, initially secondary data was collected from various online resources like news stories, articles, blogs, surveys and polls. However, for the authenticity of the retrieved data, reliable sources were extensively researched upon, reviewed and analyzed. These include innumerable research papers published on reputed websites like Google Scholar, Research Gate and materials from the journals which were available on the internet.
The type of research conducted is a Mixed Research. Data collection is performed using Inter-Mixing method. Qualitative data has been collected to analyse the effects of government laws like CAA in a country and establish a relationship between such laws and other factors dependent on such laws like economy, trade and harmony. The quantitative data is collected from various reliable sources available on the internet, published papers and from journals.

Furthermore, to cover abstract aspects of this research, primary data was gathered using quantitative methods of investigation wherein questionnaires were used as a research tool. Surveys were undertaken for this exploration as they are a quick and definitive technique to collect data from different respondents proficiently and conveniently. The respondents were above the age of 18 years as these people are referred to be the responsible citizens of India whose opinions are of utmost importance. This criterion was set to collect responses to make the data more reliable as these individuals are the ones who make the government which eventually forms the laws like CAA. The sampling frame consists of people from different states having different beliefs.

The outcomes from the surveys and polls have been presented in the form of charts and graphs. The significant findings and analysis of this research have been discussed under the heading discussion and findings in this dissertation. These illustrations have been analyzed and interpreted for the readers’ convenience. The study analyses the condition of the economy, international trade and other factors by interpreting the effects of the law post its implication in December, 2019 till around 6 months of its implementation. This data is compared to the period before the introduction of this law. The data is in a time series of the year 2019 before the law; CAA was introduced and post 6 months of the implication of the law till May, 2020

**DISCUSSION AND FINDINGS**

Upon analyzing the considered research studies based on the experiences of other countries which depict how religion is interconnected to economic growth, it can be stated that a rise in religious intolerance in India will lead to hamper the development of its economy. On comparing the economic slowdown that currently, India is suffering from, to the 1991 Balance of Payments crisis, the indicators like a low bank credit, lower investments, inflation spike, dwindling GDP growth suggest that the country is closer to it again than ever before. According to the nation's current scenario, it can be inferred that the Indian economy is slipping away. To support this argument, in a research paper, the former chief economic advisor, Arvind Subramanian explained how India is moving towards the Intensive Care Unit (ICU) concerning the economic health of the country.

Moving ahead, there are plenty of research papers available on different platforms which talk about the pernicious effects of the social division based on religious grounds and that it has the potential to cause more damage than benefit. To understand the viewpoint of the public, a survey was conducted to know about their stand on the outcomes of the law.

**Voting poll on if CAA is based on religion**

![Voting poll on if CAA is based on religion](image)

**Figure 5**

**Interpretation:**

The chart displayed is a doughnut representation of the results retrieved from an opinion poll on whether the Citizenship Amendment Act, 2019 is based on religious grounds or not. The primary data was collected from people all over the country who are above 18 years of age. It was combined with the secondary data from reliable opinion polls conducted by trustworthy channels. After understanding and examining various research studies, it can be said that religious bigotry appears to be real, in many events among a specific segment of society. As per the analysis, it has become the majority’s view. Both the intellectuals and general society have their approach right, henceforth, the legislature should investigate their perspectives with due consideration.
Interpretation:

The above pie chart is a summary of the sample space derived from a survey conducted. The intention behind the conduction was to gather the opinion of the general people on the effects of the law that altered the citizenship equation in India. It was observed that the maximum number of people believed that CAA will harm the economy. 53% of the respondents were of the view that the law will have an unfavourable impact on the economy whereas 30% had the impression that the law will have no repercussions. In addition to this, many economists and financial analysts researched and found that the world’s 12 religiously varying countries outpaced the economic development between the years 2008 and 2012 (The Quint, 2019). This shows that religious tolerance boosts the economy, however, laws like CAA hinders the growth.

Conviction on overall impact of CAA on the country

Interpretation:

Illustration 7 is a bar graph that demonstrates the notion of a sample of the Indian populace about the general consequences of the act on the nation. The figures attained as the responses to this particular poll were astounding. While most of the people believe that CAA has impacted negatively, there is a relatively high proportion of 28.3% of the individuals who did not know and consequently had no opinion. The questionnaire gives an overall idea concerning the awareness about such laws and their effects on the country amongst its citizens. In the case of CAA, it seems to be extremely low which a sign of inactive participation and
negligible contribution towards being the responsible citizens of the country. Lack of interest and high illiteracy rate can be considered to be the two major reasons behind this observation.

Lastly, after carrying out intensive research on the topic, the Citizenship Amendment Act (CAA), 2019, it was found that no single study published on the internet clearly states and explains the relationship between laws like CAA and the economy and the other important aspects like social harmony and peace, international trade and relations, its effect on the Gross Domestic Product (GDP) and inflation. However, many articles and research papers have comprehended the connection between the laws based on religious grounds on the economic development of a country. This research is an attempt to provide information gathered on the uncovered aspect about CAA which is currently not readily available.

CONCLUSIONS AND RECOMMENDATIONS

Since the sanctioning of the controversial Citizenship Amendment Act, 2019 by the Indian Parliament, India has been losing its trusted allies at the global level. Surprisingly, the results interpreted from the primary and secondary data garnered using different techniques do not follow the critical situation that arose due to alarming protests. Unfortunately, a large section of society is not aware about the law. This exemplifies that incomplete knowledge is dangerous. Despite the unawareness about the law, the country has witnessed nation-wide protests which have compromised social concord and tranquillity within the nation and across the boundary. Additionally, post analyzing the accumulated qualitative and the quantitative data, it can be reckoned that any law based on religious rationale has a deleterious impact on the country in general. However, its ramifications specifically on the economy and related issues are insidious. Consequently, these inevitable warnings must be taken into consideration by the legislation of India.

This research explores the discrete aspects related to the Citizenship Amendment Act, 2019 and tries to link facts to predict the forthcoming events. However, there are still many more areas wherein researchers can investigate and gather more data to further establish relationships between the CAA and other significant topics. Under this, the untouched domain includes the costs which will be incurred to implement the freshly introduced law. In addition to this, CAA has impacted the state of Assam distinctively. The sole reason behind this variation is the history of Assam in context to illegal immigrants from the neighbouring countries. Thus, the explorers can dive deep into these areas to unfold more about the controversial Citizenship Amendment Act, 2019 (CAA) and its concomitant outcomes on the country.

REFERENCES


