

India Fact Sheet



Source: US Department of State

Official Name: Republic of India

PROFILE

Geography

Area: 3.29 million sq. km. (1.27 million sq. mi.); about one-third the size of the U.S.

Cities: *Capital*--New Delhi (pop. 12.8 million, 2001 census). *Other major cities*--Mumbai, formerly Bombay (16.4 million); Kolkata, formerly Calcutta (13.2 million); Chennai, formerly Madras (6.4 million); Bangalore (5.7 million); Hyderabad (5.5 million); Ahmedabad (5 million); Pune (4 million).

Terrain: Varies from Himalayas to flat river valleys and deserts in the west.

Climate: Alpine to temperate to subtropical monsoon.

People

Nationality: *Noun and adjective*--Indian(s).

Population (2010 est): 1.17 billion; urban 29%.

Annual growth rate: 1.376%.

Density: 324/sq. km.

Ethnic groups: Indo-Aryan 72%, Dravidian 25%, others 3%. While the national census does not recognize racial or ethnic groups, it is estimated that there are more than 2,000 ethnic groups in India.

Religions: Hindu 80.5%, Muslim 13.4%, Christian 2.3%, Sikh 1.9%, other groups including Buddhist, Jain, Parsi within 1.8%, unspecified 0.1% (2001 census).

Languages: Hindi, English, and 16 other official languages.

Education: *Years compulsory*--K-10. *Literacy*--61%.

Health: *Infant mortality rate*--49.13/1,000. *Life expectancy*--66.46 years (2009 est.).

Work force (est.): 467 million. *Agriculture*--52%; *industry and commerce*--14%; *services and government*--34%.

Government

Type: Federal republic.

Independence: August 15, 1947.

Constitution: January 26, 1950.

Branches: *Executive*--president (chief of state), prime minister (head of government), Council of Ministers (cabinet). *Legislative*--bicameral parliament (Rajya Sabha or Council of States, and Lok Sabha or House of the People). *Judicial*--Supreme Court.

Political parties: Indian National Congress (INC), Bharatiya Janata Party (BJP), Communist Party of India-Marxist, and numerous regional and small national parties.

Political subdivisions: 28 states,* 7 union territories (including National Capital Territory of Delhi).

Suffrage: Universal over 18.

Economy

GDP (FY 2009 est): \$1.095 trillion (\$1,210 billion).

Real growth rate (2009 est.): 6.5%.

Per capita GDP (PPP, FY 2008): \$3,100.

Natural resources: Coal, iron ore, manganese, mica, bauxite, chromite, thorium, limestone, barite, titanium ore, diamonds, crude oil.

Agriculture: 17% of GDP. *Products*--wheat, rice, coarse grains, oilseeds, sugar, cotton, jute, tea.

Industry: 28.2% of GDP. *Products*--textiles, jute, processed food, steel, machinery, transport equipment, cement, aluminum, fertilizers, mining, petroleum, chemicals, and computer software.

Services and transportation: 54.9% of GDP.

Trade: *Exports* (FY 2009 est)--\$164.3 billion; engineering goods, petroleum products, precious stones, cotton apparel and fabrics, gems and jewelry, handicrafts, tea. Services exports \$101.2 billion in 2008-09, represent more than one third of India's total exports.

Software exports--\$35.76 billion. *Imports* (FY 2009 est)--\$268.4 billion; petroleum, machinery and transport equipment, electronic goods, edible oils, fertilizers, chemicals, gold, textiles, iron and steel. *Major trade partners*--U.S., China, U.A.E., EU, Russia, Japan.

PEOPLE

Although India occupies only 2.4% of the world's land area, it supports over 15% of the world's population. Only China has a larger population. India's median age is 25, one of the youngest among large economies. About 70% live in more than 550,000 villages, and the remainder in more than 200 towns and cities. Over the thousands of years of its history, India has been invaded from the Iranian plateau, Central Asia, Arabia, Afghanistan, and the West; Indian people and culture have absorbed and modified these influences to produce a remarkable racial and cultural synthesis.

Religion, caste, and language are major determinants of social and political organization in India today. However, with more job opportunities in the private sector and better chances of upward social mobility, India has begun a quiet social transformation in this area. The government has recognized 18 official languages; Hindi, the national language, is the most widely spoken, although English is a national lingua franca. Although 81% of its people are Hindu, India also is the home of more than 138 million Muslims--one of the world's largest Muslim populations. The population also includes Christians, Sikhs, Jains, Buddhists, and Parsis.

The Hindu caste system reflects Indian occupational and socially defined hierarchies. Ancient Sanskrit sources divide society into four major categories, priests (*Brahmin*), warriors (*Kshatriya*), traders/artisans (*Vaishya*) and farmers/laborers (*Shudra*). Although these categories are understood throughout India, they describe reality only in the most general terms. They omit, for example, the tribal people and those outside the caste system formerly known as "untouchables", or *dalits*. In reality, Indian society is divided into thousands of *jatis*--local, endogamous groups based on occupation--and organized hierarchically according to complex ideas of purity and pollution. Discrimination based on caste is officially illegal, but remains prevalent, especially in rural areas. Nevertheless, the government has made strong efforts to minimize the importance of

caste through active affirmative action and social policies. Moreover, caste is often diluted if not subsumed in the economically prosperous and heterogeneous cities, where an increasing percentage of India's population lives. In the countryside, expanding education, land reform and economic opportunity through access to information, communication, transport, and credit are helping to lessen the harshest elements of the caste system.

HISTORY

The people of India have had a continuous civilization since 2500 B.C.E., when the inhabitants of the Indus River valley developed an urban culture based on commerce and sustained by agricultural trade. The Harappan Civilization, as it came to be known, declined around 1500 B.C.E., most likely due to ecological changes.

During the second millennium B.C.E., pastoral, Aryan-speaking tribes migrated from the northwest into the subcontinent, settled in the middle Ganges River valley, and adapted to antecedent cultures. Alexander the Great expanded across Central Asia during the 4th century B.C.E., exposing India to Grecian influences. The Maurya Empire came to dominate the Indian subcontinent during the 3rd century B.C.E., reaching its greatest height under Emperor Ashoka.

The political map of ancient and medieval India was made up of myriad kingdoms with fluctuating boundaries. At the height of the Roman Empire under Emperor Hadrian during the 2nd century C.E., the Kushan Empire, originating in ancient Bactria, conquered north India and the trans-Indus region ushering in a period of trade and prosperity. In the 4th and 5th centuries C.E., northern India was unified under the Gupta Dynasty. During this period, known as India's Golden Age, Hindu culture and political administration reached new heights.

Islam spread across the subcontinent over a period of 700 years. In the 10th and 11th centuries, Turks and Afghans invaded India and established the Delhi Sultanate. In the early 16th century, Babur, a Turkish-Mongol adventurer and distant relative of Timurlane and Genghis Khan, established the Mughal Dynasty, which lasted for 200 years. South India followed an independent path, but by the 17th century large areas of South India came under the direct rule or influence of the expanding Mughal Empire. While most of Indian society in its thousands of villages remained untouched by the political struggles going on around them, Indian courtly culture evolved into a unique blend of Hindu and Muslim traditions.

The first British outpost in South Asia was established by the English East India Company in 1619 at Surat on the northwestern coast. Later in the century, the Company opened permanent trading stations at Madras (now Chennai), Bombay (now Mumbai), and Calcutta (now Kolkata), each under the protection of native rulers.

The British expanded their influence from these footholds until, by the 1850s, they controlled most of present-day India, Pakistan, Sri Lanka, and Bangladesh. In 1857, an unsuccessful rebellion in north India led by Indian soldiers seeking the restoration of the Mughal Emperor led the British Parliament to transfer political power from the East India Company to the Crown. Great Britain began administering most of India directly and maintained both political and economic control, while controlling the rest through treaties with local rulers. Imperial India became the "crown jewel" of the rapidly expanding British Empire.

In the late 1800s, the first steps were taken toward self-government in British India with the appointment of Indian councilors to advise the British Viceroy and the establishment of Provincial Councils with Indian members; the British subsequently widened participation in Legislative Councils. Beginning in 1920, Indian leader Mohandas K. Gandhi transformed the Indian National Congress political party into a mass movement to campaign against British colonial rule. The party used both parliamentary and nonviolent resistance and non-cooperation to agitate for independence. During this period, however, millions of Indians served with honor and distinction in the British Indian Army, including service in both World Wars and countless other overseas actions in service of the Empire.

With Indians increasingly united in their quest for independence, a war-weary Britain led by Labor Prime Minister Clement Attlee began in earnest to plan for the end of its suzerainty in India. On August 15, 1947, India became a dominion within the Commonwealth, with Jawaharlal Nehru as Prime Minister. Strategic colonial considerations, as well as political tensions between Hindus and Muslims, led the British to partition British India into two separate states: India, with a Hindu majority; and Pakistan, which consisted of two "wings," East and West Pakistan--currently Bangladesh and Pakistan--with Muslim majorities. India became a republic, but chose to continue as a member of the British Commonwealth, after promulgating its constitution on January 26, 1950.

After independence, the Indian National Congress, the party of Mohandas K. Gandhi and Jawaharlal Nehru, ruled India under the leadership first of Nehru and then his daughter (Indira Gandhi) and grandson (Rajiv Gandhi), with the exception of brief periods in the 1970s and 1980s and during a short period in 1996. From 1998-2004, a coalition led by the Bharatiya Janata Party governed.

Prime Minister Nehru governed the nation until his death in May 1964. Nehru was succeeded by Lal Bahadur Shastri, who also died in office in January 1966. In one month, power passed to Nehru's daughter, Indira Gandhi, Prime Minister from 1966 to 1977. In June 1975, beset with deepening political and economic problems, Mrs. Gandhi declared a state of emergency and suspended many civil liberties. Seeking a mandate at the polls for her policies, she called for elections in March 1977, only to be defeated by Morarji Desai, who headed the Janata Party, an amalgam of five opposition parties.

In 1979, Desai's government crumbled. Charan Singh formed an interim government, which was followed by Mrs. Gandhi's return to power in January 1980. On October 31, 1984, Mrs. Gandhi was assassinated by her Sikh bodyguards, which led to the killings of thousands of Sikhs in New Delhi. Her son, Rajiv, was chosen by the Congress (I)--for "Indira"--Party to take her place. His Congress government was plagued with allegations of corruption resulting in an early call for national elections in November 1989.

Although Rajiv Gandhi's Congress Party won more seats than any other single party in the 1989 elections, he was unable to form a government with a clear majority. The Janata Dal, a union of opposition parties, then joined with the Hindu-nationalist Bharatiya Janata Party (BJP) on the right and the Communists on the left to form the government. This loose coalition collapsed in

November 1990, and the Janata Dal, supported by the Congress (I), came to power for a short period, with Chandra Shekhar as Prime Minister. That alliance also collapsed, resulting in national elections in June 1991.

While campaigning in Tamil Nadu on behalf of his Congress (I) party, Rajiv Gandhi was assassinated on May 21, 1991 by Tamil extremists from Sri Lanka unhappy with India's military intervention in that country's civil war. In the elections, Congress (I) won 213 parliamentary seats and returned to power at the head of a coalition, under the leadership of P.V. Narasimha Rao. This Congress-led government, which served a full 5-year term, initiated a gradual process of economic liberalization under then-Finance Minister Manmohan Singh. These reforms opened the Indian economy to global trade and investment. India's domestic politics also took new shape, as the nationalist appeal of the Congress Party gave way to traditional caste, creed, regional, and ethnic alignments, leading to the founding of a plethora of small, regionally based political parties.

The final months of the Rao-led government in the spring of 1996 were marred by several major corruption scandals, which contributed to the worst electoral performance by the Congress Party in its history. The Hindu-nationalist BJP emerged from the May 1996 national elections as the single-largest party in the Lok Sabha but without a parliamentary majority. Under Prime Minister Atal Bihari Vajpayee, the subsequent BJP coalition lasted only 13 days. With all political parties wishing to avoid another round of elections, a 14-party coalition led by the Janata Dal formed a government known as the United Front, under the former Chief Minister of Karnataka, H.D. Deve Gowda. His government collapsed after less than a year, when the Congress Party withdrew its support in March 1997. Inder Kumar Gujral replaced Deve Gowda as the consensus choice for Prime Minister at the head of a 16-party United Front coalition.

In November 1997, the Congress Party again withdrew support from the United Front. In new elections in February 1998, the BJP won the largest number of seats in Parliament--182--but fell far short of a majority. On March 20, 1998, the President approved a BJP-led coalition government with Vajpayee again serving as Prime Minister. On May 11 and 13, 1998, this government conducted a series of underground nuclear tests, spurring U.S. President Bill Clinton to impose economic sanctions on India pursuant to the 1994 Nuclear Proliferation Prevention Act.

In April 1999, the BJP-led coalition government fell apart, leading to fresh elections in September-October. The National Democratic Alliance--a new coalition led by the BJP--won a majority to form the government with Vajpayee a Prime Minister in October 1999. The NDA government was the first coalition in many years to serve a full 5-year term, providing much-needed political stability.

The Kargil conflict in May-July 1999 and an attack by terrorists on the Indian Parliament in December 2001 led to increased tensions with Pakistan.

Hindu nationalists supportive of the BJP agitated to build a temple on a disputed site in Ayodhya, destroying a 17th century mosque there in December 1992, and sparking widespread religious riots in which thousands, mostly Muslims, were killed. In February 2002, 57 Hindu volunteers returning from Ayodhya were burnt alive when their train caught fire. Alleging that the fire was

caused by Muslim attackers, anti-Muslim rioters throughout the state of Gujarat killed over 2,000 people and left 100,000 homeless. The Gujarat state government and the police were criticized for failing to stop the violence and in some cases for participating in or encouraging it.

The ruling BJP-led coalition was defeated in a five-stage election held in April and May of 2004. The Congress Party, under the leadership Sonia Gandhi, the widow of Rajiv Gandhi, formed a coalition government, known as the United Progressive Alliance (UPA). It took power on May 22 with Dr. Manmohan Singh as Prime Minister. The UPA's victory was attributed to dissatisfaction among poorer rural voters that the prosperity of the cities had not filtered down to them, and rejection of the BJP's Hindu nationalist agenda.

The Congress-led UPA government has continued many of the BJP's foreign policies, particularly improving relations with the U.S. Prime Minister Singh and President George W. Bush concluded a landmark U.S.-India strategic partnership framework agreement on July 18, 2005. In March 2006, President Bush visited India to further the many initiatives that underlie the new agreement. The strategic partnership is anchored by a historic civil nuclear cooperation initiative and includes cooperation in the fields of space, high-technology commerce, health issues, democracy promotion, agriculture, and trade and investment.

In July 2008, the UPA won a confidence motion with 275 votes in its favor and 256 against.

In late November 2008, terrorists killed at least 164 people in a series of coordinated attacks around Mumbai. Prime Minister Singh promised a thorough investigation and Home Minister Chidambaram pledged significant reforms to improve India's counterterrorism agencies.

The Congress-led UPA coalition gained a more stable majority following the May 2009 elections, riding mainly on the support of rural voters. Manmohan Singh became the first Prime Minister since Jawaharlal Nehru to return to power after completing a full 5-year term. In July 2009, Secretary of State Hillary Clinton traveled to India to launch the "Strategic Dialogue," which called for collaboration in a number of areas, including climate change, trade, education, and counterterrorism. Prime Minister Manmohan Singh is visiting Washington, DC in late November 2009 for the first state visit of the Obama administration.

GOVERNMENT

According to its constitution, India is a "sovereign, socialist, secular, democratic republic." Like the United States, India has a federal form of government. However, the central government in India has greater power in relation to its states, and has adopted a British-style parliamentary system.

The government exercises its broad administrative powers in the name of the president, whose duties are largely ceremonial. A special electoral college elects the president and vice president indirectly for 5-year terms. Their terms are staggered, and the vice president does not automatically become president following the death or removal from office of the president.

Real national executive power is centered in the Cabinet (senior members of the Council of Ministers), led by the prime minister. The president appoints the prime minister, who is designated by legislators of the political party or coalition commanding a parliamentary majority in the Lok Sabha (lower house). The president then appoints subordinate ministers on the advice of the prime minister.

India's bicameral Parliament consists of the Rajya Sabha (Council of States) and the Lok Sabha (House of the People). The Council of Ministers is responsible to the Lok Sabha.

The legislatures of the states and union territories elect 233 members to the Rajya Sabha, and the president appoints another 12. The members of the Rajya Sabha serve 6-year terms, with one-third up for election every 2 years. The Lok Sabha consists of 545 members, who serve 5-year terms; 543 are directly elected, and two are appointed.

India's independent judicial system began under the British, and its concepts and procedures resemble those of Anglo-Saxon countries. The Supreme Court consists of a chief justice and 25 other justices, all appointed by the president on the advice of the prime minister.

India has 28 states* and 7 union territories. At the state level, some legislatures are bicameral, patterned after the two houses of the national parliament. The states' chief ministers are responsible to the legislatures in the same way the prime minister is responsible to Parliament.

Each state also has a presidentially appointed governor, who may assume certain broad powers when directed by the central government. The central government exerts greater control over the union territories than over the states, although some territories have gained more power to administer their own affairs. Local governments in India have less autonomy than their counterparts in the United States. Some states are trying to revitalize the traditional village councils, or Panchayats, to promote popular democratic participation at the village level, where much of the population still lives. Over half a million Panchayats exist throughout India.

Principal Government Officials

President--Pratibha D. Patil

Vice President--Mohammed Hamid Ansari

Prime Minister--Manmohan Singh

Home Minister--P. Chidambaram

Minister of External Affairs--Pranab Mukherjee

Ambassador to the U.S.--Meera Shankar

Ambassador to the UN--Hardeep Singh Puri

India maintains an embassy in the United States at 2107 Massachusetts Avenue NW, Washington, DC 20008 (tel. 202-939-7000, fax 202-265-4351, email indembwash@indiagov.org and consulates general in New York, Chicago, Houston, and San Francisco. The embassy's web site is <http://www.indianembassy.org/>.

POLITICAL CONDITIONS

Emerging as the nation's single largest party in the May 2009 Lok Sabha election, Congress currently leads a coalition UPA government under Prime Minister Manmohan Singh. Party President Sonia Gandhi was re-elected by the Party National Executive in May 2005. Also a Member of Parliament, she heads the Congress Lok Sabha delegation. Congress prides itself as being a secular, left of center party, with a long history of political dominance. Although its performance in national elections had steadily declined during the previous 12 years, its surprise victory in 2004 was a result of recruiting strong allies into the UPA, the anti-incumbency factor among voters, and its courtship of India's many poor, rural and Muslim voters. Congress political fortunes suffered badly in the 1990s, as many traditional supporters were lost to emerging regional and caste-based parties, such as the Bahujan Samaj Party and the Samajwadi Party, but have rebounded since its May 2004 ascension to power. It currently rules either directly or in coalition with its allies in 10 states. In November 2005, the Congress regained the Chief Ministership of Jammu and Kashmir state, under a power-sharing agreement.

The Bharatiya Janata Party (BJP), led by Shri Nitinn Gadkari, holds the second-largest number of seats in the Lok Sabha. Sushma Swaraj is Leader of the Opposition. The Hindu-nationalist BJP draws its political strength mainly from the "Hindi Belt" in the northern and western regions of India. Former Foreign Minister Jaswant Singh was expelled from the party in August 2009 after authoring a book which portrayed the founder of Pakistan, Muhammad Ali-Jinnah, in a positive light, though he was allowed to rejoin in June 2010.

The party holds power without outside support in the states of Chhattisgarh, Gujarat, Himachal Pradesh, Uttarakhand, Karnataka and Madhya Pradesh; it is part of ruling coalitions in few other states including Bihar, Orissa and Punjab. Popularly viewed as the party of the northern upper caste and trading communities, the BJP made strong inroads into lower castes in recent national and state assembly elections. The party must balance the competing interests of Hindu nationalists, (who advocate construction of a temple on a disputed site in Ayodhya, and other primarily religious issues including the propagation of anti-conversion laws and violence against religious minorities), and center-right modernizers who see the BJP as a party of economic and political reform.

Four Communist and Marxist parties are united in a bloc called the "Left Front," which controls 59 parliamentary seats. The Left Front rules the states of West Bengal and Kerala. The Left Front provided external support to the UPA government until a July 2008 confidence vote. It advocates a secular and Communist ideology and opposes many aspects of economic liberalization and globalization, resulting in dissonance with Prime Minister Singh's liberal economic approach. The Maoist-inspired Naxalite insurgency continues to be a major internal security threat, affecting large parts of eastern India. Since the Communists have been in a retreat in West Bengal the Trinamool Congress Party is likely to perform well in the upcoming 2011 state elections.

ECONOMY

India has fared the global financial crisis remarkably well. Despite the 2008-2009 downturn, the government expects the annual GDP growth to return to around 9%. India's population is estimated at more than 1.1 billion and is growing at 1.55% a year. It has the world's 12th largest economy--and the third largest in Asia behind Japan and China--with total GDP in 2008 of around \$1.21 trillion (\$1,210 billion). Services, industry, and agriculture account for 54%, 29%,

and 18% of GDP respectively. India is capitalizing on its large numbers of well-educated people skilled in the English language to become a major exporter of software services and software workers, but more than half of the population depends on agriculture for its livelihood. 700 million Indians live on \$2 per day or less, but there is a large and growing middle class of more than 50 million Indians with disposable income ranging from 200,000 to 1,000,000 rupees per year (\$4,166-\$20,833). Estimates are that the middle class will grow ten-fold by 2025.

India continues to move forward, albeit haltingly, with market-oriented economic reforms that began in 1991. Reforms include increasingly liberal foreign investment and exchange regimes, industrial decontrol, reductions in tariffs and other trade barriers, opening and modernization of the financial sector, significant adjustments in government monetary and fiscal policies, and more safeguards for intellectual property rights.

The economy has posted an average growth rate of more than 7% in the decade since 1997, reducing poverty by about 10 percentage points. India achieved 9.6% GDP growth in 2006, 9.0% in 2007, and 6.6% in 2008, significantly expanding manufactures through late 2008. Growth for the fiscal year ending March 31, 2009 was initially expected to be between 8.5-9.0%, but has been revised downward by a number of economists to 7.0% or less because of the financial crisis and resulting global economic slowdown. Foreign portfolio and direct investment inflows have risen significantly in recent years. They contributed to the \$283.5 billion in foreign exchange reserves by December 2009. Government receipts from the 34-day 3G auction were \$14.6 billion.

Economic growth is constrained by inadequate infrastructure, a cumbersome bureaucracy, corruption, labor market rigidities, regulatory and foreign investment controls, the "reservation" of key products for small-scale industries, and high fiscal deficits. The outlook for further trade liberalization is mixed, and a key World Trade Organization (WTO) Doha Ministerial in July 2008 was unsuccessful due to differences between the U.S. and India (as well as China) over market access. India eliminated quotas on 1,420 consumer imports in 2002 and has incrementally lowered non-agricultural customs duties in recent successive budgets. However, the tax structure is complex, with compounding effects of various taxes.

U.S.-India bilateral merchandise trade in 2008 topped nearly \$50 billion. Principal U.S. exports are diagnostic or lab reagents, aircraft and parts, advanced machinery, cotton, fertilizers, ferrous waste/scrap metal, and computer hardware. Major U.S. imports from India include textiles and ready-made garments, Internet-enabled services, agricultural and related products, gems and jewelry, leather products, and chemicals.

The rapidly growing software sector is boosting service exports and modernizing India's economy. Software exports crossed \$35 billion in FY 2009, while business process outsourcing (BPO) revenues hit \$14.8 billion in 2009. Personal computer penetration is 14 per 1,000 persons. The number of cell phone users is expected to rise to nearly 300 million by 2010.

The United States is India's largest investment partner, with a 13% share. India's total inflow of U.S. direct investment was estimated at more than \$16 billion through 2008. Proposals for direct foreign investment are considered by the Foreign Investment Promotion Board and generally receive government approval. Automatic approvals are available for investments involving up to

100% foreign equity, depending on the kind of industry. Foreign investment is particularly sought after in power generation, telecommunications, ports, roads, petroleum exploration/processing, and mining.

India's external debt was nearly \$230 billion by the end of 2008, up from \$126 billion in 2005-2006. Foreign assistance was approximately \$3 billion in 2006-2007, with the United States providing about \$126 million in development assistance. The World Bank plans to double aid to India to almost \$3 billion a year, with focus on infrastructure, education, health, and rural livelihoods.

-September 7, 2011