

India

CONTEMPORARY HISTORY

Following a long history of numerous independent kingdoms, India was progressively conquered by Great Britain in the 18th and 19th centuries. By 1850, Britain had taken control of the whole of India (including present-day Pakistan and Bangladesh) and had consolidated it into the jewel of its empire. In the 1920s and 1930s, however, an Indian independence movement developed under the leadership of Mahatma Gandhi. Britain first repressed Gandhi's movement but was forced to grant independence to India in 1947. Independence, however, led to violent conflicts between Hindus and Muslims in India. Simultaneous with independence, India split into two countries: Muslim Pakistan and pluralistic India (with a Hindu majority).

India developed as the world's largest democracy under the leadership of Jawaharlal Nehru. During the Cold War, India took a position of non-alignment and did not become a military ally of either the US or the Soviet Union. However, conflicts with Pakistan, primarily over the disputed region of Kashmir, dominated post-independence events. These conflicts led to three major wars with Pakistan in 1947, 1965, and 1971. Fighting started up again in 1999. A cease fire was signed between the two countries in 2003. A terrorist attack on the India city of Mumbai in late 2008 has renewed suspicions between the two countries. India strongly suspects the terrorists were Pakistani.

For most of the period from independence until the 1980s, the party of Mahatma Gandhi and Jawaharlal Nehru, the Congress Party, ruled India under the influence first of Nehru and then his daughter and grandson. In the 1990s, the Congress Party's dominance of the political scene ended, although it still remains one of the largest and most important political parties in India. After the 1998 elections, a coalition government led by the Hindu-nationalist Bharatiya Janata Party (BJP) came to power under the leadership of Prime Minister Vajpayee. India's current Prime Minister, Manmohan Singh, came to office in May 2004. Although the prime minister in India holds most of the power, the president decides which party or individual will constitute the central government after the general election. The next general election will be held in May 2009. It is assumed that a coalition government will again need to be formed, since no party holds a majority of legislative seats in Parliament.



Flag



The white represents the preservation of life; green, production; orange, natural resources. The wheel in the center keeps the three in harmony. The twenty-four spokes represent the twenty-four hours of the day.

India: Facts

Capital	New Delhi
Government	Federal Republic
Government Head (Prime Minister)	Manmohan Singh
Economy	Capitalist
Independence	1947
Area (sq. km)	3,288,000
Population (trillions)	1,147
Adult Literacy	61%
Pop. Growth Rate	1.58%

Source: CIA World Fact book. Military data for year 2005 and Military % of GDP for year 2006. All others for year 2008. GDP figures are in Purchasing Power Parity. Tuberculosis data for year 2006 and Health Care % of GDP for year 2005 from WHO.

INDIA TODAY

A developing country, India is located in South Asia, between Burma and Pakistan. It also shares a border with China. With a long coastline, India is bordered by the Arabian Sea on one side and the Bay of Bengal on the other. The country is about a third of the size of the US, but it has almost five times as many people. India's median age is 25, one of the youngest among large economies. It is the largest democracy, dwarfing the US with over one billion people. It has the fourth largest economy in the world (by purchasing power parity) and the third largest in Asia, behind Japan and China.

Prior to the 1990s, India had a very protected economy and it had limited interactions with the global economy. But in 1991, the country launched major economic reforms, moving toward a free market economy. Despite obstacles such as an under-developed infrastructure, India's economy grew by an average of 7% annually from 1996-2007. The country has a large number of well-educated people skilled in the English language. With telecommunication advancements that allow for inexpensive international calls, India has become the customer service center to the English-speaking world. Such employees make about 20% of what a comparable worker in the US would earn.

Since gaining its independence from the UK in 1960, the only serious security issue for India has been an ongoing dispute with neighboring Pakistan over the territory of Kashmir. There has been a lot of saber rattling in recent years. In 1998, India and Pakistan exploded nuclear devices within days of each other, to prove that they both had the biggest stick in the military arsenal. Troops were massed on their joint border. Tensions ran high until 2003, when a ceasefire was signed. Confidence-building measures have taken place. A terrorist bombing in India in November 2008 has again raised the tension level between these two nuclear powers. Kashmir will continue to be a serious sticking point in relations between India and Pakistan.

Human Rights

India opposes interfering in the sovereign rights of countries for human rights promotion. It believes that human rights are dependent on culture and on historical conditions. India also strongly opposes link-

ing foreign aid to human rights and has even refused foreign aid (such as aid from USAID) when it suspected a connection to a political or human rights agenda.

India's own human rights track record is mixed. In theory, India is a democracy and guarantees the political and civil freedoms of its citizens. However, the current nationalist government has been accused of ignoring an increase in the number of attacks on both Muslims and Christians. Post-9/11, the government enacted an anti-terror law. It provides police with sweeping powers to arrest suspects and detain them without charges for three months. It also makes it tougher to release suspects on bail and allows for heavy sentences.

Indian society forces limitations on the rights of certain groups, particularly women and the Harijan (or untouchables, who represent 20% of the population, or almost 200 million people). Despite government-sponsored affirmative action programs, the age-old caste system in India means that certain groups do not have equal access to education, job opportunities, social status, and wealth.

There is an elaborate system of laws to protect the rights of women against violent acts and forced prostitution. However, the government often is unable to enforce these laws, especially in rural areas where traditions are deeply rooted.

Domestic violence as a result of dowry disputes is a serious problem, sometimes ending in the woman's death. Also, in many parts of the country, women do not enjoy equal rights under the law in such matters as inheritance of family property.

Human trafficking is a serious problem for India. The government estimates that 90% of India's sex trafficking is internal. There is no national law enforcement mechanism for any form of trafficking in India and it lacks the minimum standards for the elimination of trafficking. India does not have adequate punishment for people who commit trafficking crimes. The few shelters that India has for trafficked victims cannot support victims for more than a few months, leaving them vulnerable to being re-trafficked. Corruption in law enforcement prevents India from enforcing its anti-trafficking laws. Much of the problem of cross-border trafficking through India is a result of the porous border between India and its neighbors, Bangladesh and Nepal.

India is a country where almost 33% of the population is younger than 15 years of age. A large proportion of all the world's child laborers is said to be in India. The officially recognized number of child laborers in India is 11.3 million. The ILO estimates the number is higher. Most of these children do housework, work alongside their parents as paid agricultural labor, work as domestic servants or are employed in industries which utilize child labor such as hand-knotted carpets, gemstone polishing, brass, glassware, footwear, textiles, silk, and fireworks. Perhaps half of India's child laborers are engaged in dangerous work activities. Although there are provisions in Indian law prohibiting child labor, the problem persists due to poverty, lack of compulsory education, and poor enforcement of child labor laws.

India has not signed the *ILO Convention #138 on Minimum Age* and the *Worst Forms of Child Labor Convention #182*. However, the government is considering providing micro loans to parents if they will keep their children in school. In some local communities, NGO's or individuals are already providing such a service.

Environment

With its huge population of over 1.1 billion growing by 25 million a year, India has major environmental and health-related problems. They include deforestation, soil degradation, overgrazing, desertification, air pollution from both industry and vehicle emissions, and water pollution from raw sewage and agricultural pesticides. Among these problems, the biggest is probably water pollution. Tap water is not safe to drink, exposing the population to many water-borne diseases.

On the issue of global warming, India argues that developing countries such as India should not be subject to restrictions on greenhouse gas emissions and that the main responsibility for global warming rests with developed countries. India's position is that developing countries should be allowed to grow their economies, just as the developed countries did, before they are asked to make significant contributions to reduce greenhouse gas emissions. India ratified the Kyoto Protocol in August 2002. As a developing country, India is not required to reduce its emissions under the Protocol. In November 2002, India hosted the United Na-

tions Framework Convention on Climate Control (UNFCCC) conference in New Delhi.

While India protests any international requirements to reduce its GHG emissions, the government understands that pollution, particularly in the major cities, is a major health concern. Therefore it is either voluntarily taking many measures to improve its air quality, or the Supreme Court is mandating stronger rules. One of the ways it is making sure vehicles are emitting less noxious fumes is the requirement to install compressed natural gas (CNG) conversion kits to vehicles. Burning natural gas as a fuel significantly reduces auto emissions, and the kits do not require major modifications to the vehicle. This is just one example. Here is a list of some of the pollution reduction measures being adopted in major cities such as New Delhi: (1) reducing the sulfur content in fuel, both gas and diesel; (2) phasing out of commercial vehicles older than 15 years and buses older than 8 years; (3) rickshaws and taxis must use CNG or other clean burning fuels; (4) lead in gasoline has been phased out in the entire country since 2000; (5) since 1995, only cars with catalytic converters can be sold in major cities; and (6) periodic emission testing of in-use vehicles.

While these measure are a step in the right direction, what is of more concern is India's insatiable need for more electricity with its growing economy. Most analysts expect that the demand for electricity will rise at about 10% a year. (For comparison, US power demand rises about 2% annually.) Over the past decade, about 33% of India's new power supplies came from sources that emit fewer GHG emissions--natural gas and hydro electricity. However, the higher cost of natural gas and environmental objections to building hydro dams mean that the new fuel of choice is coal. Coal is the most polluting of all fossil fuels. Already more than half of India's new power supplies come from coal, and that could grow rapidly.

India: Health

Birth Rate	22/1,000
Death Rate	6/1,000
Life Expectancy - Male	67
Life Expectancy - Female	72
Infant Mortality	551/1,000
HIV/AIDS Cases	5.1 million
HIV/AIDS Prevalence Rate	9/1,000
Tuberculosis Rate	168/100,000

One way to compete with coal's attractiveness is to build more nuclear power plants. Nuclear energy is a sore subject between India and UN Security Council member countries like the US, for India secretly developed nuclear weapons and it has refused to sign the nuclear non-proliferation treaty (NPT). But the prospect of India enlarging its nuclear energy facilities on its own was considered too dangerous to accept. India's system of old-fashioned breeder reactors makes more weapons-capable nuclear fuel than they consume. So in 2006, President Bush asked the US Congress to pass legislation that allows India to buy US nuclear reactors and nuclear fuel for civilian purposes. By 2020, a nuclear generating capacity could increase by nearly ten-fold. The International Atomic Energy Agency and the Nuclear Suppliers Group have reluctantly signed special agreements to allow this unique arrangement to proceed.

By displacing coal, that would avoid about 130 million tons of carbon dioxide per year (for comparison, the full range of emission cuts planned by the European Union under the Kyoto Protocol will total just 200 million tons per year). It would also eclipse the scheme under the Kyoto Protocol, known as the Clean Development Mechanism (CDM), which was designed to reward developing countries that implement projects to reduce their emissions of greenhouse gases. The largest 100 of these CDM projects, in total, won't reduce emissions as much as a successful effort to help India embrace safer nuclear power.

But can the word "safer" even be used with nuclear power? It requires the storage of radioactive waste for thousands of years. No nuclear power

country has yet been able to persuade its skeptical public to accept the building of a long-term storage facility. Recognized environmental leaders France and the UK have been quietly polluting the English Channel with radioactive runoff from their plutonium reprocessing plants. Thus there is no silver bullet when it comes to reducing global warming.

India's enormous population and widespread poverty compound its challenges in health. Cities have poor, overburdened water and sewage systems. Rural areas often have none. India has almost no system of management for clinical waste. These circumstances are reflected in its high rate of tuberculosis (168 per 100,000) and infant mortality (55 per 1000). India's average life expectancy is 69 years.

The number of reported HIV/AIDS cases, 5.1 million, is probably lower than the actual number. Analyst predicts there could be 20-25 million AIDS cases in India by 2010 unless the government intervenes. It produces its own anti-AIDS drugs.

Another communicable disease that has just recently reared its ugly head is avian flu. It first appeared in India in 2006, with the first outbreak occurring in and around the city of Navapur in west India. It spread to nearby regions. As a result of the outbreaks, the Indian government ordered tens of thousands of birds killed. A total of three outbreaks were reported in 2006.

India has a comprehensive health care system using both government and private service providers. But less than 50% of India's population has access to medical services. The country's current expenditure for

health care equals about 4.8% of its GDP.

Economy

India is a country of extremes - devastating poverty for many of its people contrasted with a large well-educated middle class. Its economy grew at a rate of 8.5% in 2006-07, India's good foundations for economic growth are the rule of law, a large middle class, and high education levels. However, the global economic crisis will lower GDP growth rates for 2008 and 2009 to an estimated 6% annually.

While Prime Minister Singh has adopted a liberal economic approach, he heads a politically fragile coalition government. His government would fall without the support of four parties in parliament that have Communist and Marxist ideologies. The "Left Front" as they are called, opposes many aspects of economic liberalization and globalization. Because Mr. Singh needs to appease the Left Front in order to govern, the outlook for further trade liberalization is mixed. The Left Front wants Indian industries, especially small industries, protected from a flood of cheap imports.

At the same time, India is also concerned with equal distribution of the benefits of growth. A large portion of the population still lives in poverty, and adequate food supplies remain uncertain. It cannot be denied that the high growth rate of the past 11 years has helped move people out of poverty. The number of poor people has been reduced by about 110 million. But it is estimated that India still has about 62% of its population living on less than \$2 a day.

India: Economics

GDP (trillion)	\$2.966
GDP Per Capita	\$2,600
GDP Growth Rate	9%
Unemployment	7.2%
Inflation Rate	6.4%
Exports (billions)	\$151
Imports (billions)	\$231
External Debt (billions)	\$149.2

The Indian government is opening the economy to trade as part of the economic reforms started in 1991. India has removed barriers to imports on many items and has reduced most tariffs from a high of about 300% in 1991 to around 40% now. However, Indian tariffs are still relatively high, especially for products that can be produced domestically. India is a member of the WTO and has promised to continue reducing tariffs. India has been slow in implementing WTO intellectual property rights standards. However, India has a prosperous and influential industrial sector and a strong labor movement, which may work to keep some protections in place for certain Indian industries. As one of the largest developing countries in the WTO, India has pushed for the organization to address the interests of developing nations such as boosting public health and access to cheap drugs.

With respect to the international economy, India is increasingly willing to attract foreign investment, despite its sensitivity to cultural and national autonomy. Nevertheless, it has been India's policy not to rely heavily on foreign debt to finance its economic development.

India has been able to attract foreign investment because of the reform of its financial sector, the size of its domestic market, and its large, educated workforce. However, the extent of corruption in the Indian government and inefficient local government systems has discouraged some foreign direct investment. Even though just over half of India's adult population is educated, India's achievements in education thus far have been impressive. India is now one of the world's leading exporters of information technology (including computer hardware and software plus programming and data processing services).

Security

Freed from British rule in 1948, India's recent history has been dominated by internal difficulties and bitter relations with Pakistan and, to a lesser extent, China. There are significant trends, however, that suggest that India is likely to play a more prominent international security role in coming decades.

Tensions with Pakistan have been a central feature of India's international circumstances for the last 50 years. The two countries fought three wars between 1947 and 1971, all of which India won. The birth of Bangladesh—previously East Pakistan—in 1971 was a particularly bright moment for India. It helped Bangladesh secure its freedom from Pakistani control. In a regional conflict that did not end as well, India suffered a humiliating loss to the Chinese in 1962. Its policy in support of Tamil separatists in the nearby country of Sri Lanka has helped to prolong an internal conflict in that country in recent years.

Disputes with Pakistan have most recently centered on Kashmir, a predominately Muslim province sought by Pakistan. In 1998, dueling nuclear tests by India and Pakistan increased tension between the two countries. The tests also announced to the world that both countries possessed such dangerous firepower. A May 1999 invasion of Kashmir by Pakistani-backed militants angered India. Alarmed by the potential for devastation by two such untested nuclear powers, the US persuaded the Pakistanis to retreat.

Over the next few years, truce talks were attempted several times but went nowhere. Then in December 2001, terrorists attacked the Indian Parliament while in session. The terrorists were killed before they actually entered the building, but not before seven police and other workers were killed. Furious, the Indian government blamed Pakistan of trying to “wipe out” its political leadership. The largest troop build-up on their common border in 30 years brought the two countries to the brink of war. Pakistan assured India the attack was not sanctioned by the government, but was the work of militants, possibly with al Qaeda connections. They quickly arrested those thought responsible for the attack. However they released them a few months later when the glare of the spotlight faded.

A more moderate regional government was elected in

Kashmir in fall 2002. This resulted in some troop withdrawals along the 1,700-mile long Indian-Pakistan border. In 2004, the leaders of India and Pakistan held a three-day peace summit. A cease-fire was eventually signed and ties had been improving between the two countries until a new terrorist attack occurred in November 2008. The important industrial city of Mumbai, India was held hostage for three days by 10 terrorists. The attack killed 163 people in two luxury hotels, a railway station, a tourist restaurant, and a Jewish center as well as other sites. Indian authorities insist they have proof that the 10 gunmen were citizens of Pakistan trained by retired Pakistani military men. While Indians are rightfully angry over this incident, tensions are not as explosive as they were after the 2001 attack. The stronger ties created between the two countries since 2004 are credited with a lower response level this time around.

In the international arena, the rivalry between India and Pakistan is always present. During the Cold War, India adopted the policy of a “non-aligned” nation-choosing neither the Soviet Union nor the US in the superpower rivalry. In fact, while India never formally entered an alliance with the USSR or broke off relations with the US, it did lean towards the Soviet Union. Partly as a result, the US began to develop warmer ties with Pakistan, which made relations between Washington and New Delhi even cooler.

The end of the Cold War seemed to change India's relationship with the US. After Russia's retreat from Afghanistan, the US was headed toward better relations with India, probably at Pakistan's expense. Growing concern by both the US and India over China's rise as a substantial power drove the two countries together. India was the first major country in the world to express “understanding” for American plans for a national missile defense system. Former US President George Bush considers his “warmer” relations with India one of his foreign policy successes.

Recently, there has been a greater emphasis on regional groups that allow countries to discuss issues of mutual interest. The group for South Asia is the South Asian Association for Regional Cooperation (SAARC). India and Pakistan are both members, so forward movement sometimes slows when there is tension between the two countries. The countries or entities of China, Japan, the EU and the US are observers. Established in 1985, SAARC encourages cooperation in agriculture,

rural development, science and technology, culture, health, population control, narcotics, and terrorism.

Nuclear non-proliferation is a sore subject with India. India is one of three countries that refuse to sign the Nuclear Non-proliferation Treaty (NPT). India developed its nuclear weapons program in secret due to its concerns over China's possession of nuclear weapons. Because Pakistan also developed a secret weapons program, both India and Pakistan were sanctioned under the 1994 Nuclear Proliferation Prevention Act by the G-7 countries.

With India's booming economy forcing it to look anywhere for new electrical generating sources, the prospect of India enlarging its nuclear energy facilities on its own was considered too dangerous a gamble. India's system of old-fashioned breeder reactors makes more weapons-capable nuclear fuel than they consume. So in 2006, Bush and the US Congress passed legislation that allows India to buy US nuclear reactors and nuclear fuel for civilian purposes. Interestingly, India won't be required to sign the NPT, and many are questioning if the US is creating a double standard. With American prodding, the International Atomic Energy Agency agreed to a safeguards agreement with India. Finally, the Nuclear Suppliers Group agreed to modify its export control standards to permit nuclear cooperation with India. So despite reluctance by the global nuclear watchdogs, all barriers have been removed.

The war on terrorism has radically altered the region's conflict management environment. Pakistan has once again become a vital ally of the US, although Washington shares India's concern about radical Islamic fundamentalist activity in Pakistan. Although neither India nor Pakistan has agreed to be bound by the Nuclear Non-Proliferation Treaty, the sanctions imposed after they performed nuclear tests in 1998 have been lifted as a reward for their support for the US-led war in Afghanistan. The question now is how much their mutual differences will influence circumstances in Afghanistan. Since the 18th century, Afghanistan has been a pawn in the great powers chess game. With the expulsion of the Taliban, many hoped that Afghanistan would be allowed to develop a stable government. As a result, the US has strongly objected to Indian and Russian attempts to gain influence in the region. After 9/11, the momentum for creating a viable state in Afghanistan could not have been greater. It would be a tragedy to see it once again become a battleground where region-

al or global powers try to carve out their own spheres of influence.

India was not in favor of the US invasion of Iraq. It fears that the war in Iraq will lead to additional instability in the region. It could further radicalize Muslims in the Middle East and South Asia. This in turn could increase India's problems with domestic terrorism by Muslims seeking Kashmiri separation.

Religious fundamentalism plays a large role in the problems India faces with domestic terrorism. Some people within the country are moving away from Gandhi's concept of a pluralistic India. Hindu nationalism is on the rise, which impacts people of other beliefs. Post 9/11, attacks on both Muslims and Christians have increased. In 2002, thousands were killed in communal violence that erupted after the killing of Hindu fundamentalists. In addition, the unresolved issue regarding Kashmir creates anger among Muslims living in India

that spills over into violence. The most serious threat to the government's power in recent years took place in 2001, when terrorists attacked the Indian Parliament while in session. They were killed before they were able to take over the building, but seven police and other workers were killed.

To combat domestic terrorism, the government enacted an anti-terror law after 9/11. It provides police with sweeping powers to arrest suspects and detain them without charges for three months. It also makes it tougher to release suspects on bail and allows for heavy sentences. Yet such emphasis on terrorism laws does not replace preventing terrorist acts in the first place. The Indian government has been heavily criticized for allowing 10 terrorists to hold the important city of Mumbai hostage for three days as they indiscriminately shot hostages in the November 2008 attack.

India: Security (Armed Forces)	
Military expense as % of GDP (2006)	2.5%
Military expenditures (millions)	\$18,860
Military expenditures per capita	\$17.46