

## Republic of India



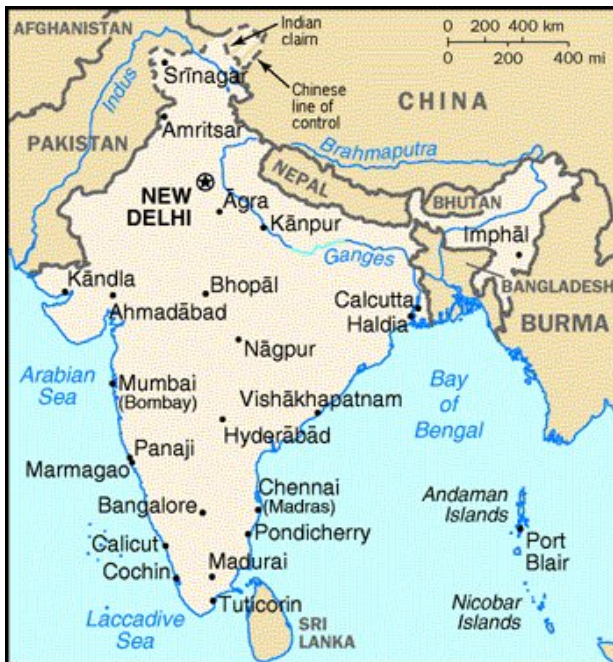
### **Geography**

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 (2007): 1.12 billion; urban 27.8%.

Annual growth rate: 1.3%

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.

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

Education: *Years compulsory*--none. *Literacy*--61%.

Health: *Infant mortality rate*--34.61/1,000. *Life expectancy*--68.59 years (2007 est.).

Work force (est.): 450 million. *Agriculture*--60%; *industry and commerce*--18%; *services and government*--22%

## **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.

Suffrage: Universal over 18.

## **Economy**

GDP (FY 2007): \$1 trillion (\$1,000 billion).

Real growth rate (2006-2007 est.): 9.4%.

Per capita GDP (FY 2006-2007): \$909.

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

Agriculture: 18% of GDP. *Products*--wheat, rice, coarse grains, oilseeds, sugar, cotton, jute, tea

Industry: 27% of GDP. *Products*--textiles, jute, processed food, steel, machinery, transport equipment, cement, aluminum, fertilizers, mining, petroleum, chemicals, and computer software.

Services and transportation: 55% of GDP.

Trade: *Exports* (FY 2006-2007)--\$127 billion; engineering goods, petroleum products, precious stones, cotton apparel and fabrics, gems and jewelry, handicrafts, tea. *Software exports*--\$22 billion. *Imports* (FY 2006-2007)--\$192 billion; petroleum, machinery and transport equipment, electronic goods, edible oils, fertilizers, chemicals, gold, textiles, iron and steel. *Major trade partners*--U.S., China, 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 (*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 tribes and those once known as "untouchables." 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 has been 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 have lessened the harshest elements of the caste system.

## **HISTORY**

The people of India have had a continuous civilization since 2500 B.C., when the inhabitants of the Indus River valley developed an urban culture based on commerce and sustained by agricultural trade. This civilization declined around 1500 B.C., probably due to ecological changes.

During the second millennium B.C., pastoral, Aryan-speaking tribes migrated from the northwest into the subcontinent, settled in the middle Ganges River valley, and adapted to antecedent cultures.

The political map of ancient and medieval India was made up of myriad kingdoms with fluctuating boundaries. In the 4th and 5th centuries A.D., 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 sultanates in Delhi. In the early 16th century, Babur, a Turkish adventurer and distant relative of Timurlane, 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 caused the British Parliament to transfer political power from the East India Company to the Crown. Great Britain began administering most of India directly, while controlling the rest through treaties with local rulers.

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 armed forces, 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 within the 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, during a short period in 1996, and the period from 1998-2004, when a coalition led by the Bharatiya Janata Party governed.

Prime Minister Nehru governed the nation until his death in 1964. Nehru was succeeded by Lal Bahadur Shastri, who also died in office. In 1966, power passed to Nehru's daughter, Indira Gandhi, Prime Minister from 1966 to 1977. In 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 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, and 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 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 Congress (I), Rajiv Gandhi was assassinated on May 27, 1991, apparently by Tamil extremists from Sri Lanka, unhappy with India's armed intervention to try to stop the civil war there. 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 and reform, which 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 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. The National Democratic Alliance--a new coalition led by the BJP--won a majority to form the government with Vajpayee as Prime Minister in October 1999. The NDA government was the first in many years to serve a full five year term, providing much-needed political stability.

The Kargil conflict in 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 900 people and left 100,000 homeless. This led to accusations that the BJP-led Gujarat state government had not done enough to contain the riots, or arrest and prosecute the rioters.

The ruling BJP-led coalition was defeated in a five-stage election held in April and May of 2004, and a Congress-led coalition, known as the United Progressive Alliance (UPA), took power on May 22 with 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 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.

## **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 Council of Ministers (Cabinet), 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.

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](mailto: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 April/May 2004 Lok Sabha election, Congress currently leads a coalition 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 a secular, left of center party, with a long history of political dominance. Although its performance in national elections had steadily declined during the last 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 9 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 Rajnath Singh, holds the second-largest number of seats in the Lok Sabha. Former Prime Minister Atal Bihari Vajpayee serves as Chairman of the BJP Parliamentary Party, and former Deputy Prime Minister L.K. Advani 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.

The party holds power in the states of Gujarat, Madhya Pradesh, Rajasthan, Chhattisgarh, and Orissa--in coalition with the Biju Janata Dal. 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), 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 57 parliamentary seats. The Left Front rules the states of West Bengal and Kerala. Although it has not joined the government, Left Front support provides the crucial seats necessary for the UPA to retain power in New Delhi; without its support, the UPA government would fall. 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 next general election is scheduled for 2009.

## **ECONOMY**

India's population is estimated at more than 1.1 billion and is growing at 1.3% a year. It has the world's 12th largest economy--and the third largest in Asia behind Japan and

China--with total GDP of around \$1 trillion (\$1,000 billion). Services, industry, and agriculture account for 55%, 27%, and 18% of GDP respectively. Nearly two-thirds 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 325-350 million with disposable income for consumer goods.

India is continuing to move forward with market-oriented economic reforms that began in 1991. Recent reforms include liberalized foreign investment and exchange regimes, industrial decontrol, significant reductions in tariffs and other trade barriers, reform and modernization of the financial sector, significant adjustments in government monetary and fiscal policies, and safeguarding intellectual property rights.

Real GDP growth for the fiscal year ending March 31, 2007 was 9.4%, up from 9.0% growth in the previous year. Growth for the year ending March 31, 2008 is expected to be between 8.5-9.0%. Foreign portfolio and direct investment inflows have risen significantly in recent years. They have contributed to \$255 billion in foreign exchange reserves by June 2007. Government receipts from privatization were about \$3 billion in fiscal year 2003-2004, but the privatization program has stalled since then.

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 (although declining) fiscal deficits. The outlook for further trade liberalization is mixed. 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.

The United States is India's largest trading partner. Bilateral trade in 2006 was \$32 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 \$28 billion in FY 2006-2007, while business process outsourcing (BPO) revenues hit \$8.3 billion in 2006-2007. Personal computer penetration is 14 per 1,000 persons. The cellular/mobile market surged to 140 million subscribers by November 2006. The country has 54 million cable TV customers.

The United States is India's largest investment partner, with a 13% share. India's total inflow of U.S. direct investment is estimated at more than \$9 billion through 2006. 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 \$155 billion in 2006-2007, 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.

### **Education**

The skewed Indian education system has lavished resources on universities and technical academies while neglecting primary schools for the masses, resulting in one of the world's most heterogeneous, complex and comprehensive systems of higher education. India's colonial heritage has produced enough English speakers, 30-50 million, to populate a medium-sized country.

There are currently 7.73 million Indians enrolled in 273 Indian universities and 11,831 colleges. With a population of more than 1 billion persons and a growing middle class, there is a huge demand for education. Currently 20% of the universities have correspondence courses. Competition from other countries, including, Australia, Canada, France, Germany, Ireland, New Zealand, United Kingdom and several Asian countries is keen.

However, the U.S. is still the number one destination for Indian students. Finances remain a major concern, making the transfer market a good option for overcoming the burden of funding four years of undergraduate study. Engineering, computer science/information technology and business administration/management continue to be the most popular fields of study, and there is an increasing interest in health sciences, public relations, advertising and humanities and social sciences.

Interest in undergraduate study has been on the rise in the past few years. Rankings are an important factor for Indian students, although many are more interested in obtaining a scholarship or financial aid to study in the U.S. Very low refusal rates seem to indicate that obtaining student visas has become less difficult.

According to *Open Doors*, in academic year 2007, there were 83,833 students from India studying in the United States (up 9.6% from the previous year). For the sixth year in a row, India remained the leading place of origin for students in the United States.

Mathematics and computer sciences are the fastest growing majors for Indian students. Other popular fields the traditionally popular engineering and business. USEFI states that they have observed more students switching from other fields to engineering and computer science related fields such as bioinformatics, bioengineering and biotechnology. At the undergraduate level, there is increasing interest in liberal arts, fine arts, design, computers and the web, and media and communications.

**Principal U.S. Embassy Officials**

Ambassador--[David C. Mulford](#)  
Deputy Chief of Mission--Steven White  
Public Affairs--Larry Schwartz  
Political Affairs--Ted Osius  
Economic Affairs--John Davison  
Scientific Affairs--Satish Kulkarni  
Commercial Affairs--Carmine D'Aloisio  
Agricultural Affairs--Holly Higgins  
Management Affairs--Gerri O'Brien  
Consular Affairs--Peter Kaestner  
USAID Mission Director--George Deikun

*Consuls General*

Mumbai (formerly Bombay)--Michael S. Owen  
Kolkata (formerly Calcutta)--Henry Jardine  
Chennai (formerly Madras)--David Hopper

The [U.S. Embassy](#) in India is located on Shantipath, Chanakyapuri, New Delhi 110021 (tel. 91-11-2419-8000; fax: 91-11-24190017, website <http://newdelhi.usembassy.gov>). Embassy and consulate working hours are Monday to Friday, 8:30 a.m. to 5:30 p.m. Visa application hours are Monday to Friday, 8:30 a.m. to 10:00 a.m.

\*This number includes the Indian state of Jammu and Kashmir. The United States considers all of the former princely state of Kashmir to be disputed territory. India,