

8<sup>TH</sup> INDIA – KOREA DIALOGUE  
May 20, 2009

Political, Economic, and Security  
Situation in India



---

N.S. Sisodia  
Director General, IDSA



# Structure of Presentation

---

- POLITICAL: 15<sup>th</sup> Lok Sabha Elections – A Positive Mandate
- ECONOMIC: Global Economic Downturn - Weathering the Storm
- SECURITY: Internal Security Challenges
  - Naxalism
  - J&K
  - Northeast
  - Terrorism
  - India's Porous Borders
- An Assessment
- Indicative Sources



# 15<sup>th</sup> Lok Sabha Elections

- Out of total population of 1,147,995,904 (2008 est.), 714 million eligible voters; 8,28,804 polling stations
- 35 states, 543 seats (423 general, Reserved - 79 Scheduled Caste, 41 Scheduled Tribe)
- 7 national parties (BSP, BJP, CPI, CPI(M), INC, NCP, RJD); 48 state parties
- Increase in voter turnout – Nearly 60 per cent (428 million voted), compared with 58 per cent in 2004



# The Verdict: A Positive Mandate

---

- INC - won 205 seats
- UPA alliance – 262 seats, a gain of 82 seats from 2004
- BJP – 116, NDA – 160, loss of 17 seats
- Third Front – 79 seats, loss of 39
- Fourth Front – 28 seats, loss of 36



# Top 10 Political Parties: Seats Won

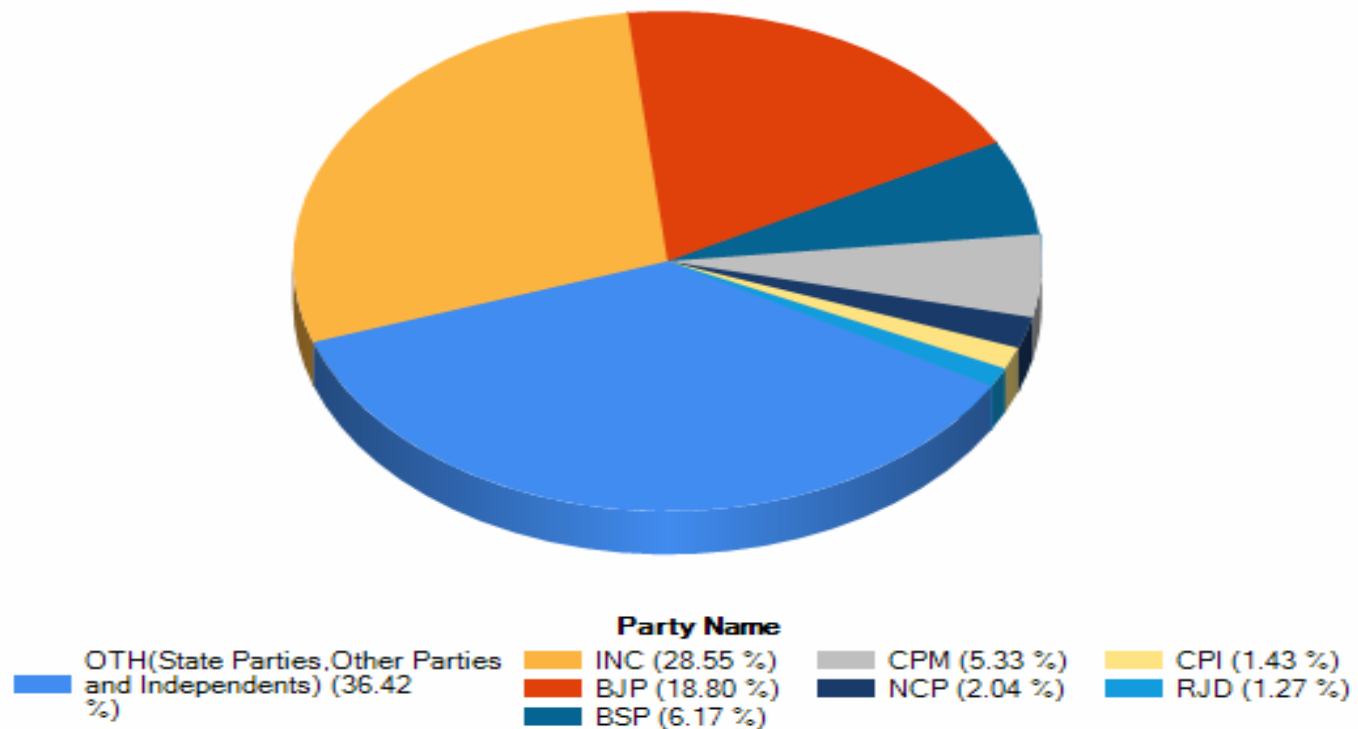
Party	2009	2004
INC	205	145
BJP	116	138
SP	23	36
BSP	21	19

Party	2009	2004
JD(U)	20	8
TMC	19	2
DMK	18	16
CPI(M)	16	43
BJD	14	11
SS	11	12

# Percentage of Votes Garnered

(Source: Election Commission of India)

Percentage of Votes Polled Out of Votes Counted till 5/17/2009 10:57:25 PM





# Coalition Governments: End of the Era?

---

- Coalition governments the norm since 1991
- The Manmohan Singh government from 2004-09 had the support of as many as 20 different political parties
- Rise of regional parties, with their own specific agendas and vote banks catering to caste, ethnic, linguistic, and social lines
- 2009 vote signifies a maturing of political class – stable government expected to function and deliver

## II

# Weathering the Economic Downturn

---

- Former Finance Minister P. Chidambaram: India may experience a moderation in growth rate to between 7-8 per cent;
- Other analysts and agencies not so sure - IMF for instance expects growth to be around 5 per cent
- Sectors like manufacturing, communications, trade, agriculture, and construction, main drivers of the economy in the past, likely to see a decrease in growth
- However, India is still the second fastest growing economy in the world, and a trillion dollar economy



## II

# Weathering the Economic Downturn

---

- 5.3 per cent growth in quarter ending December 2008, lowest in 5 years, down from 7.6 per cent in quarter ending August 2008
- However, commendable performance in the light of contraction in some of the developed economies
- Bright Spots include burgeoning domestic demand - fastest growing mobile phone market in the world (400 million cellphone users, addition of 15.6 million in March 2009 alone); Passenger car sales rose by 22 per cent in rural India in February 2009. Pertinent in the light of the fact that over 70 per cent of India's populace live in rural areas
- Youthful population - Over 75 per cent under the age of 30
- High savings rate of over 35 per cent - \$200 billion a year being saved

## II

# Weathering the Economic Downturn

---

- Causes of concern – Rising government debt, as a percentage of GDP, set to rise to over 11 per cent in next fiscal year
- Remittances likely to be hit - India receives over \$20 billion in remittances
- Decline in Foreign investment (loans as well as direct investment) – Worrying trend as foreign investments made up nearly 40 per cent of the country's GDP in 2008
- Tough challenges remain – Over 40 per cent child malnutrition, compared to 7 per cent in China; Over a quarter of the hungry people live in India (220 million)



## III

# Internal Security Challenges

---

- A. Naxalism
- B. Jammu and Kashmir
- C. Northeast Insurgencies
- D. Terrorism
- E. India's Porous Borders

# INDIA

## States and Union Territories





## A. Naxalism: India's 'Biggest Threat'?

---

- Naxal violence reported from 9 states – Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh, and West Bengal
- However, only 4 states of Bihar, Chhattisgarh, Jharkhand, and Orissa together account for over 85 per cent of incidents and casualties
- In 2007, 1565 naxal incidents, 837 deaths (civilians, naxalites, and casualties in security force operations)
- In 2008, 1591 naxal incidents, 920 deaths



# Naxalism: Developmental and Security Challenges

---

- In 33 focus districts, 69 developmental schemes of 20 central ministries being implemented on a priority basis
- Special Infrastructure Scheme in affected States: Rs. 500 crore in 11<sup>th</sup> Plan period. Out of Rs. 100 crore allotted in 2008-09, Rs. 60 crore for 8 focus districts in Bihar, Chhattisgarh, Andhra Pradesh, Orissa, and Madhya Pradesh
- Rs. 501.33 crore for modernisation of state police forces, 32 paramilitary battalions sanctioned
- 20 schools of counter-insurgency and jungle warfare to be set up



## B. Jammu and Kashmir: Successful Elections, Reduced Terrorist Incidents

---

- Over 40,000 people killed since insurgency began in 1990s
- However, situation improving with terrorist incidents down by nearly 40 per cent in 2008
- Killings by security forces decreased by more than 30 per cent
- Level of infiltration has also declined, though rigorous attempts are being made by terrorists, with active support and connivance of Pakistan Army
- Successful elections held in November-December 2008, Omar Abdullah of National Conference sworn in as CM



## C. Northeast Insurgencies: Improved Situation Yet Causes for Concern

---

- Reduced civilian casualties and increase in numbers of militants killed/arrested/surrendered
- 506 civilians and security forces personnel killed in 2008, against 577 in the previous year
- 4139 militants killed/arrested/surrendered, as against 2975 in 2007
- Situation in Nagaland, Manipur and Assam still cause for concern - cross-border insurgent havens, militants indulging in arms trafficking, drug running, and extortion
- Illegal immigration from Bangladesh continuing
- Need for concerted efforts to develop tourism and small scale industry





# D. Terrorism: A Grave Challenge

---

- Major terrorist incidents in Delhi, Bangalore, Ahmedabad, Jaipur, Malegaon, Mumbai – both homegrown (Islamic and Hindu) and cross-border
- Cross-border terror linkages – both at the eastern and western borders
- Missing links in intelligence gathering, analysis and dissemination, weak coordination among law enforcement agencies
- Need to set up a network of multi-agency centres, develop HUMINT and TECHNIT, show political resolve, enhance domestic counter-terrorism infrastructure
- National Investigative Agency bill passed by Parliament, need to speed up measures to bring it into reality



## E. India's Porous Borders

---

- Land border of over 15,000 kms with Pakistan, Bangladesh, Nepal, Bhutan, and Myanmar
- Difficult terrain and porous border
- 26/11 exposed India's vulnerable maritime security architecture
- Need for better connectivity, thorough fencing, proper surveillance equipment, curtailing fragmentation of responsibilities among different agencies (for instance between the Coast Guard and the Navy regarding maritime security),
- India's unstable borders exacerbating security concerns



# Assessment

---

- World's largest democracy, facing myriad challenges
- New government has to hit the ground running, it has got the mandate to do so
- Causes for optimism plenty – a multi-ethnic and multi-linguistic youthful populace, well-established institutions, free press, active judiciary
- Rising capabilities of security forces
- India's unstable neighbourhood remains a cause for concern



# Indicative Sources

---

- Government of India, Ministry of Home Affairs, "Year End Review, January 2008-December 2008," New Delhi, 2009
- "Deaths due to Terrorist and Naxal Violence," PIB Press Release, February 20, 2009
- Government of India, Ministry of Home Affairs, "Spread of Naxal Activities across the Country," Rajya Sabha, Unstarred Question No. 323, February 23, 2009
- "Briefing Note for New Government: Internal Security," Internal Security Cluster, IDSA, May 2009
- Election Commission of India website
- The Hindu
- Indian Express
- New York Times
- Washington Post