

India ahead of the 2024 elections

SUMMARY

From 19 April to 1 June 2024, 968 million Indian voters are eligible to elect the members of the *Lok Sabha* (lower house). Voting is to take more than six weeks in seven phases across states and territories, concluding with a final round on 1 June; the votes are set to be counted on 4 June. Since 1999, elections to the *Lok Sabha* have coincided with those for the European Parliament.

In 2023, India overtook China as the world's most populous country. The government has been able to lower India's poverty rate substantially through efficient delivery of welfare schemes, while other layers of Indian society have steadily improved their situation since Narendra Modi became Prime Minister in 2014. Inequality has not improved significantly, however, and job creation is lagging.

India is one of the world's fastest growing economies, and the Modi government has set the goal of becoming a developed country by 2047, the centenary of Indian independence. However, analysts argue that India's economic growth has failed to create the necessary stock of employment, especially for young people. In recent years, India has undergone a major digital transformation. With the landing on the moon in August 2023, India also consolidated its status as a space power.

Analysts have expressed concern about the situation of India's democracy and human rights. This includes the revocation of Jammu and Kashmir's autonomy, violence and discrimination against Muslims and members of other religious minorities, the rise of Hindu nationalism and abandonment of the country's traditional secularist posture, and the legislation on telecommunications.

The year 2023 was an important moment for India's foreign policy and its pursuit of global recognition and growing international stature. India hosted the G-20 Summit, championing the cause of the 'Global South' while projecting India's global leadership. Modi also proposed to host the COP33 Summit in 2028, highlighting New Delhi's commitment to fighting climate change.

The EU is India's second largest trading partner and their cooperation is increasing; recently, an EU-India Connectivity Partnership and an EU-India Trade and Technology Council were added. They are currently negotiating three agreements, on free trade, investment protection and geographical indications.



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The world's most populous country

In April 2023, the United Nations (UN) Population Division announced that, according to its estimates, India had overtaken China as the [world's most populous country](#), reaching 1.42 billion people, in a growing trend that is deemed likely to continue for several decades – the peak is expected in 2064, while China already reached its peak in 2022. The UN points to different trends in fertility rate decline to explain this: in 2022, at 1.2 births per woman, China had one of the lowest fertility rates, while India's – 2.0 births per woman – is just below the replacement threshold of 2.1. The [EU fertility rate](#) was 1.46 in 2022 (ranging from 1.08 in Malta to 1.79 in France). India's census, scheduled in 2021, was delayed to 2024 due to the Covid-19 pandemic (the last one was in 2011).

Although, according to the World Bank, India's [poverty rate](#) (people living below the international poverty line set at US\$2.15 a day) is higher than its neighbours, the government has been able to lower it substantially, from 17.4 % in 2014 to 11.9 % in 2021. Efficient delivery of welfare [schemes](#) has contributed to this achievement. A scheme launched during the pandemic, offering free food grains to more than [800 million people](#), was extended for five more years in November 2023. Building on a previous trend, other layers of Indian society have steadily improved their situation since Narendra Modi became Prime Minister in 2014. According to Rajesh Shukla, managing director of Indian think tank People Research on India's Consumer Economy, quoted by the *Financial Times*, the [middle class](#) (people whose income is €5 500–€33 200 at 2020-2021 prices) has grown from 300 million in 2014 to 520 million now. Meanwhile, the highest income segment has tripled from 30 million to 90 million (India is home to 169 [billionaires](#) – the third highest number in the world).

Like other countries, according to UNICEF India has a declining [child mortality](#) rate: in 2022, the under-five mortality rate was 29.1 per 1 000 births. World Bank data (2021) shows that there are [58 countries](#) with a worse score than India. However, a BMC Public Health study published in June 2023 detected the persistence of [higher caste/tribe](#) infant and child mortality rates. In August 2022, the All India Institute of Medical Sciences' Indresh Kumar argued that, despite India's 50 % increase in gross domestic product (GDP) since 2013, more than a third of the world's [malnourished children](#) lived in India and, among these, half of the children under three years old were underweight. According to the World Bank, [35.5 % of children](#) under the age of five are stunted, with the figure rising to 67 % for children aged between six months and 59 months. Kumar pointed to economic inequality as one of the major causes of malnutrition in India: [India's Gini index](#) on inequality (34.2 in 2021) has not improved significantly in recent years.

Economy

India is one of the world's fastest growing economies and is poised to continue on this path. The Modi government has set the goal of becoming a [developed country by 2047](#), the centenary of Indian independence. At present, India is a [lower-middle income](#) country according to the World Bank classification. India's real growth would need to rise sustainably to around [8 %](#) per annum on average, a rate that India has only attained in 2015, 2016 and 2021 in recent years (see Figure 1).

The country's economy has enjoyed consistent growth throughout the whole of Modi's tenure, except in 2019-2020, due to the consequences of the Covid-19 pandemic. These two years were followed by a rebound in 2021, driven by a broad range of fiscal, monetary and health responses to the crisis that supported its recovery. This growth saw India overtake the UK and become the [world's fifth largest economy](#) in 2021; it is projected to become the third largest by 2030.

Meanwhile, several analysts argue that India's economic growth is not equally divided among the different states, pointing to an increasing [north-south divide](#), both on an economic and a demographic level. The south is wealthier, more urbanised and has a smaller population. Its five states (Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana) together make up almost a third of India's GDP, mainly because of the wealthy tech industry that is located in these states and which is considered to be the engine for the country's economic growth – in the words of *The*

Economist: 'To see India's future, go south'.

Analyst Akhilesh Pillalamarri instead advocates a (north) [west-east divide](#): the western Hindi-speaking states and regions are performing better than the eastern ones both economically and socially. Many of India's centres of industrialisation and drivers of growth are in the western part of the country, where, particularly in the area between Delhi and Mumbai, new projects – including [industrial corridors](#) and bullet trains – have been implemented first. On the contrary, many states in eastern India are lagging behind.

India's economic growth struggles to create employment. Given its

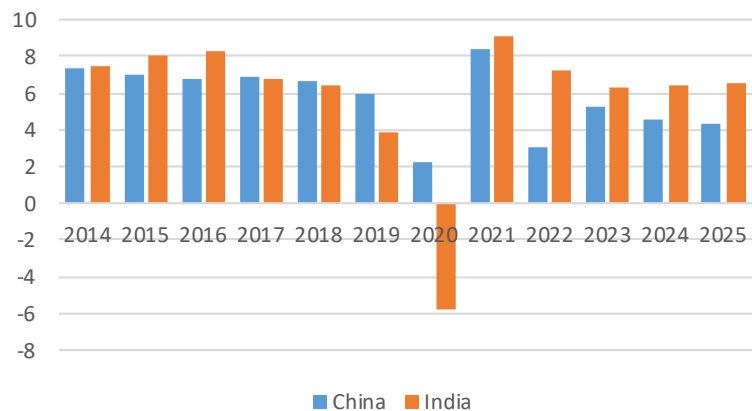
demographic structure, every year India needs to create 10 to 12 million new jobs for young people joining the labour force. [Labour force participation](#) in 2022 was 55.4 %, meaning slightly more than half the working age population (15 to 64 years old) were working. The female participation rate was just 30 % and the male rate was 79 %. The rate dropped to 29 % for 15-24 year-olds – and to just 13.1 % for females, compared to 43 % for males. Reserve Bank of India Governor Raghuram Rajan noted the [contradiction](#) between India's high overall economic performance and low economic participation rate. On India's prospects of reaching the current per capita income of China (in 2022, this was US\$12 720 for [China](#) and US\$2 410 for [India](#)) by 2047 if it maintained the current growth rate, he said: 'We absolutely need ... improvement if we want to grow rich before we grow old'.

Different figures are available on unemployment. According to International Labour Organization (ILO) figures, based on national estimates, it was [4.8 % in 2022](#) (down from 8 % in 2014). However, according to the Centre for Monitoring Indian Economy (CMIE), it rose to [8 % in fiscal year 2023-2024](#). The number of Indians migrating abroad is [higher](#) than in the past. India ranks as the top country of origin for international [migrants](#) and the highest remittance-receiving country in the world (estimated at US\$89.4 billion in 2021). According to *The Economist*, the [Indian diaspora](#) both promotes India's image and benefits Prime Minister Modi. The United Arab Emirates (3 425 000), the US and Saudi Arabia are Indian migrants' top destinations. In the EU, after Brexit, the Netherlands (240 000), Italy (203 000) and Germany (185 000) are the [top destinations](#).

The National Sample Survey Office's Periodic Labour Force Survey (PLFS) for 2022-2023 recognises that the [informal sector](#) is still the dominant source of livelihood in the country: it amounted to 74.3 % between July 2022 and June 2023. The agricultural sector in particular features a high percentage of informal workers – 80.2 %. The survey confirms that agriculture is the main provider of jobs, although this is decreasing: 37.1 % in 2022-2023, compared to 38.1 % in 2021-2022 (NITI Aayog, the government's think tank, argues that the workforce engaged in agriculture and related activities was [45 %](#) in 2021-2022). [Agriculture's contribution to GDP](#) is also decreasing: 18.3 % in 2022-2023, compared to 20.3 % in 2020-2021. Down To Earth's Managing Editor Richard Mahapatra noted the [increase in self-employed](#) people in India, a trend usually observed in developing countries with low per capita income: for lack of alternatives, people shift to non-rewarding jobs.

The India Brand Equity Foundation's (IBEF) [Manufacturing Sector in India Industry](#) report notes that manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and

Figure 1 – GDP growth in China and India (annual %), 2014 to 2025



Source: [World Bank Global data](#) and [World Bank Global economic prospects](#). Data for 2023 are estimates, data for 2024 and 2025 are forecasts.

consumer durables. India aims to replace China as the world's manufacturing hub, offering an alternative to corporations wishing to 'de-risk' from China and adopting a '[China plus one](#)' (C+1) strategy – reducing their exposure to risk by downsizing their presence in the country, without abandoning it, like Apple, which has plans to produce a quarter of its iPhone production in India by 2025). The Indian government would like 25 % of its economy's output to come from manufacturing by 2025, and has implemented several schemes, including [Make in India](#), [Digital India](#), [Startup India](#) and the Production Linked Incentive (PLI) on renewable energy. This improved India's ranking in the World Bank's Ease of Doing Business Index from 142nd (in 2014) to [63rd \(in 2019\)](#). University of British Columbia Professor Amartya Lahiri noted that India has had difficulties in expanding the share of the [manufacturing sector](#) in its economy and has instead shifted from a primarily agrarian to a mainly service economy, thereby skipping a stage which has been necessary for other successful Asian countries like China or South Korea. One of the consequences could be the inability of high-tech services – which generate high output growth – to create enough jobs for young people: job creation is mostly in low value-added and low skill services. Lahiri argues that India's growth as a back-office provider for the world implies sustained investment in the quality of higher education.

India's digital transformation

The Indian government runs the country's digital transformation through the umbrella programme [Digital India](#). In particular, India is a pioneer in the use of mobile devices to provide state benefits and private financial services. It started in 2009 with Aadhaar, the Indian state biometric identification database: a 12-digit identity number is allotted to each person, and linked to a photograph, fingerprint and iris scans. Aadhaar has been criticised as a tool to control the population and as posing a potential threat to [privacy](#) and security, although the [Supreme Court](#) has upheld its constitutional validity. Services are stacked together and verified using biometric data: for this reason, the system is called [India Stack](#). It consists of [three interconnected layers](#) (identity, payment, data) providing a digital identity to every Indian while facilitating easy, cost-free, mobile-first digital transactions. Combined with the widespread adoption of cell phones and cheap data rates, India Stack has significantly reduced inefficiencies arising from a lack of physical infrastructure, theft, and corruption. India's Digital Public Infrastructure (DPI) represents a tool to offer to the rest of the world (e.g. Africa) and potentially an example of how innovations in social and economic life can come from the 'Global South'. India is a founding member of GPAI (the Global Partnership on [Artificial Intelligence](#) set up in 2020), and Prime Minister Modi opened the summit held in New Delhi in December 2023. The government is also working on a [draft regulatory framework](#) for AI.

Climate change, energy, environmental challenges

India fixed a net zero emissions target for 2070, to be achieved through the [Panchamrit](#) plan. The country is the third largest green house gas (GHG) emitter globally, and in 2022 it accounted for [7.3 % of global GHG](#) emissions – more than the EU, which is the fourth largest emitter. India's per capita emissions level was well [below the global average](#), however, and only a third of the EU's. India has faced criticism as to what is included as forest in its land use, land-use change and forestry (LULUCF) sector data.

India has ratified the Paris Agreement and belongs to the [non-Annex I](#) group of developing countries of the United Nations Framework Convention on Climate Change (UNFCCC), which face less strict requirements and are entitled to support from developed countries. Electricity and heat production account for the majority of its GHG emissions, while emissions linked to transport have increased very quickly: transport is mainly fuelled by petroleum products and is responsible for almost half of India's oil demand, which is mostly (75 %) imported. [Coal](#) remains the main energy source (44.6 % in 2021) and represented [71 % of total CO₂ emissions](#) from fuel combustion in 2021. India is resisting calls to commit to a deadline for phasing out its own use of coal and other fossil fuels, and Climate Action Tracker ([CAT](#)) rated India's climate policy as 'highly insufficient'.

According to a February 2024 IEA (International Energy Agency) report, India's strongly growing economy and population will turn it into the [largest driver of global oil demand](#) growth by 2030.

The report recommends accelerating the pace of change to get on track to achieving national energy and climate goals and the Paris Agreement. India is a net exporter of refined products and is set to maintain its position as a key exporter of transportation fuels to markets in Asia and the Atlantic Basin. Meanwhile, India's efforts to accelerate its energy transition (including an increased uptake in electric vehicles) is set to deliver significant oil savings in the forecast period. Biofuels are also expected to play a key role in the transport sector's decarbonisation: India is the world's third largest producer and consumer of ethanol, whose domestic production has tripled over the last five years. Moreover, India (co-founder with France of the [International Solar Alliance](#) in 2015) is set to obtain 18% of its electricity from solar sources by 2030; the country aims to ensure that around half of its electric power capacity is non-fossil fuel-based by 2030.

India is one of the countries most threatened by climate change, including [droughts and extreme heat](#). In the last available Germanwatch [Global Climate Risk Index](#), India was the 7th most affected country in 2019 and suffered the highest number of fatalities (2 267). In 2023, as in the previous years, millions of Indians were affected by devastating [floods](#) (including in the [Himalayan](#) region) causing dozens of fatalities. Air quality in Indian cities (including [New Delhi](#)) is rapidly deteriorating: a study co-financed by the EU Horizon programme estimates air pollution causes over [two million deaths annually](#) in India. In 2019, the Ministry of Environment launched the National Clean Air Programme ([NCAP](#)), which has shown [mixed progress](#). Further issues of serious concern are [waste management](#), [water pollution](#) and [water scarcity](#): India has 18% of the world's population, but only 4% of its water resources, making it among the most water-stressed countries in the world.

'India is now on the moon'

These were the words of Prime Minister Modi when, in August 2023, [Chandrayaan-3](#) landed on the moon, making India the fourth country to achieve this but also the first one to land a rover near the lunar south pole. India is aiming to fly three astronauts to low earth orbit in 2025, and the Indian Space Research Organisation (ISRO) has announced plans for an independently owned space station by 2035 and to send [astronauts to the moon](#) by 2040. In 2019, India became the third country to destroy an orbiting satellite, in a show of its anti-satellite (ASAT) missile capabilities. In June 2023, India became the 27th signatory of the [Artemis Accords](#) – a US-led international agreement providing a set of principles to govern civil space exploration. Space has become a priority in the Indian government's policy agenda: in 2022, the government opened up the space sector for public-private partnerships through a regulatory body, Indian Space Promotion and Authorisation ([IN-SPACe](#)).

Human rights

After years of being the only country in South Asia to rank as 'free' in Freedom House's [Freedom in the World](#) report, in 2021 India moved to 'partly free'. [India's](#) score has steadily declined for much of the last decade, dropping 11/100 points since 2018, when it was still [77/100](#), to 66/100 in 2024. In particular, Freedom House points to the situation in Indian-administered Kashmir (Jammu and Kashmir), which has seen one of the largest declines in freedom globally over the last decade and has moved from 'partly free' to 'not free'. This was due to the Indian government, in August 2019, suddenly [withdrawing Article 370](#) of the Constitution, which had guaranteed Jammu and Kashmir (its only Muslim-majority state) a high degree of autonomy. The government also dissolved its elected institutions, arrested its political leaders and split the state into two union territories. In December 2023, India's [Supreme Court upheld the decision](#) to revoke autonomy, but called on the government to restore statehood to Jammu and Kashmir (minus Ladakh) and hold overdue elections (the last were held in 2014) by September 2024. According to Freedom House, federal security forces in the region have long used repressive methods to quash dissent and employed extrajudicial violence against suspected insurgents and their alleged civilian sympathisers.

Freedom House also argues that repression in Kashmir has gone hand in hand with the rise of Hindu nationalism in India and the implementation of discriminatory policies against India's large Muslim minority (14.2% of the population according to the [2011 census](#), compared with a Hindu majority

of almost 80%, while Christians make up 2.3%), which, along with other marginalised groups, faces obstacles to full political representation. Freedom House points to authorities routinely tolerating the destruction of mosques, while violence against Muslims has escalated in recent years. Other religious minorities in India have also suffered persecution, which is often intertwined with political and ethnic disputes. In June 2023, in the northeast state of [Manipur](#) bordering Myanmar, churches were burnt down and hundreds of people were killed amid a spike in ethnoreligious violence between Hindu and Christian groups.

In its Country Report on Human Rights Practices for 2022, the [US Department of State](#) drew attention to significant human rights issues, including several cases of arbitrary killing, arrest, detention and interference with privacy; unresolved disappearances; and torture and other abuses. The report also underlined a lack of investigation of and accountability for gender-based violence, including domestic and intimate partner violence, sexual violence, workplace violence, child, early, and forced marriage, and femicide (marital rape is not illegal when the woman is older than 15). In the Reporters without Borders' [World Press Freedom Index](#), India dropped from 133rd out of 180 countries in 2016 to 150th in 2022 and 161st in 2023 – just three positions ahead of Russia in 164th place. Foreign press has become the target of authorities' abuses and arbitrariness. In February 2023, income tax officials [raided the BBC offices](#) in New Delhi and Mumbai, after the broadcaster aired a documentary in the UK critical of Prime Minister Modi. According to Reporters without Borders, the withdrawal of the Overseas Citizen of India card ([OCI](#)) – a lifetime residence permit issued to foreigners of Indian origin or to the spouses of Indian citizens – has been weaponised to pressure journalists to censor themselves (or give up practicing their profession), while [foreign correspondents](#) are increasingly refused permits, visas, and access in India. Human Rights Watch (HRW) argued that OCI withdrawal is being used to silence [diaspora critics](#) of the government; according to [Article 14](#), some 102 OCIs have been revoked since 2020 for this purpose. In October 2023, Amnesty International addressed a letter to European Commission President [Ursula von der Leyen](#) on the weaponisation of the law against civil society. According to Amnesty International, the Indian authorities have systematically targeted civil society, using the money laundering and terrorism legislation to leave human rights defenders and non-profit organisations (NPOs) vulnerable to arbitrary arrests and prolonged detention and disrupting their human rights work. In September 2020, [Amnesty International India](#) was forced to halt its operations.

The 2019 Citizenship (Amendment) Act ([CAA](#)) has been a matter of controversy and has provoked many protests in the country. The law amends the 1955 Citizenship Act by providing a faster track to Indian citizenship to persecuted religious minorities from Afghanistan, Bangladesh and Pakistan that arrived in India by 2014. The eligible minorities are Hindus, Sikhs, Buddhists, Jains, Parsis or Christians, but not Muslims; as such, it has been considered to [discriminate](#) against Muslims and violate the secular principles protected by the Constitution. Related to this legislation is the National Register of Citizens (NRC), which records all the legal citizens of India; those who migrated illegally can be identified and expelled. The NRC is only being implemented in the northeast state of Assam, but there are plans to extend it to the whole country. The combined implementation of the NRC and the CAA may affect the rights of many Muslims to continue living in India, as they often lack documentation attesting to their place of birth.

The [Telecommunications Bill](#), adopted in December 2023, raised [concerns](#) about potential infringement of privacy and granting the government comprehensive control over all private communication. It allows the government to assume possession of a telecom network in cases of public emergency or in the interest of public safety; the government can halt transmission and intercept messages during public emergencies to prevent incitement to committing offences. This provision gives officials extensive powers to control and spy on every message over the entire telecom network for public safety. The Bill also obliges the telecommunication services to perform biometric verification of every social media user. According to Access Now group, in 2022 India accounted for approximately 58% of all documented [internet shutdowns](#) globally; the country has been at the top of the list of states cutting off internet for several years now.

Foreign relations

[Non-alignment](#) has been the traditional principle of India's foreign policy, which shifted to 'strategic autonomy' ([like the EU](#)) after the Cold War. Today, India has embraced the concept of 'issue-based alliance': as Indian Foreign Minister Subrahmanyam Jaishankar underlined, New Delhi seeks to build strong partnerships with like-minded states on specific subjects, pursuing its [national interests](#) and avoiding involving itself in great power conflicts. He also recognises that India's emergence as a leading power remains a goal on the horizon. Despite some past attempts, India has never adopted a national security strategy (NSS). [Analysts](#) advocate the need for India to have one; the process of formulating it was [reported](#) in November 2023.

The year [2023](#) was a successful time for India's foreign policy and its pursuit of global recognition and growing international stature. In January, India hosted the 1st Voice of [Global South Summit](#), a virtual meeting bringing together 125 countries (including six from Europe: Albania, Belarus, Bosnia and Herzegovina, Moldova, North Macedonia and Serbia) under the motto 'Unity of voice, Unity of purpose'. The event allowed New Delhi to champion the cause of the 'Global South' while projecting India's global leadership, and the need to redesign global political and financial governance.

In July, India hosted a virtual summit of the Shanghai Cooperation Organization ([SCO](#)). In September, India hosted the [G-20](#) Summit, displaying the country's economic potential, infrastructure development and security capabilities. Responding to the Indian presidency's six G20 priorities (green development, inclusive growth, progress on the UN SDGs, technological transformation, multilateral institutions for the 21st century, and women-led development), the leaders committed to a series of actions and goals in a long [declaration](#) under the theme 'One Earth·One Family·One Future'. Against a backdrop of divisions in the group, in particular over Russia's war against Ukraine, India was able to gather the consensus for such a declaration – though watered down, so as to not explicitly condemn Russia's aggression. The Summit granted permanent member status to the African Union (representing 55 African member states), acknowledging the growing role of the 'Global South'. In the margins of the Summit, India, the EU, France, Germany, Italy, Saudi Arabia, the United Arab Emirates (UAE) and the US signed a Memorandum of Understanding (MoU) on the India – Middle East – Europe Economic Corridor ([IMEC](#)), perceived as a possible alternative to China's Belt and Road Initiative (BRI).

In November, India hosted the 2nd Voice of Global South Summit (again in a virtual format, under the theme 'Together, For Everyone's Growth, With Everyone's Trust'), which focused on sharing with the 'Global South' countries the key outcomes achieved in the G20 hosted in New Delhi. In December, Prime Minister Modi participated in the [COP28](#) held in Dubai, where he voiced the concerns of the 'Global South' and asked developed countries to deliver on the UAE's [declaration](#) on a global climate finance framework to mobilise US\$100 billion to support developing countries in achieving their climate ambitions and implementing their NDCs (nationally determined contributions). Modi also proposed to host the [COP33 Summit in 2028 in India](#), highlighting New Delhi's commitment to fight climate change.

In an effort to expand the interests of the 'Global South', in January 2024 four new members joined the [BRICS](#) organisation, to which India belongs (together with Brazil, Russia, China and South Africa). Kansai Gaidai University Professor Mark S. Cogan argues that [BRICS expansion is a mistake](#) for India, because it dilutes its standing in the organisation, while maximising China's influence through ties to countries with which it already has stronger partnerships. India is also part of the [Quad](#) – Quadrilateral Security Dialogue among democracies in the Indo-Pacific region – with Australia, Japan and the US. Analysts argue about the Quad's contradictory nature due to [India's reluctance](#) to engage on security matters, making it hard to reach a consensus on any prospective quadrilateral inter-military cooperation. However, after the 2020 border clash with China, India's interest in strategic partnership has increased its [acceptance](#) of a more expansive security role for the Quad, though New Delhi wants to avoid explicitly provoking Beijing through it, given its nature as a US-led effort to contain China in the Indo-Pacific. India is expected to host a [Quad Summit](#) late in 2024.

China has overtaken Pakistan as the main security challenge for India's foreign policy. Previously, relations with Beijing were labelled as a '[cooperation-competition](#)' framework: cooperation on areas of convergence and competition on areas of divergence. However, relations have soured over the last decade, in particular following a hand-to-hand [clash](#) in June 2020 between Indian and Chinese troops in the Galwan Valley, at their border in the Himalayan region (the 3 440 km-long 'Line of Actual Control'), that led to dozens of casualties. Despite military-level talks, tensions continue and in December 2022 troops [clashed again](#): a situation leading to costly high-stakes competition, although Modi and Xi Jinping (who did not attend the G20 Summit in New Delhi) agreed to [deescalate](#) border tensions when meeting in Johannesburg for the BRICS Summit in August 2023. China is nevertheless a [major trading partner](#) for India: in 2022, with €111.14 billion, it was third after the US and the EU (and the biggest exporter to India: €96.84 billion). [China](#) has been expanding its influence in South Asia, including through the [BRI](#), from which New Delhi opted out (Modi did not attend the BRI Summit in October 2023). India is worried about Beijing's presence in a region traditionally under its influence, prompting the Indian fear of being 'encircled'.

Foreign trade

India has a long tradition of [protectionism](#) and [import substitution](#) aimed at reducing imports for its security (especially from China) and creating manufacturing jobs. The strategy has not worked; as the Chinese experience shows, Beijing developed rapidly by becoming integrated in manufacturers' global supply chains – a process prevented by Indian tariffs (18 % on average). India is not a member of the Regional Comprehensive Economic Partnership ([RCEP](#)) free trade area, nor of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ([CPTPP](#)): according to [experts](#), the consequence is that India is side-lined in the Indo-Pacific in terms of foreign trade, and that its manufacturing production is burdened by comparatively higher costs, as the imported inputs from RCEP and CPTPP countries are subject to tariffs. The bilateral free trade agreements that India has signed with mostly Asian partners contain practically [no substantial tariff reductions](#) or opening of the import market. Moreover, India did not conclude significant new bilateral trade agreements in the 2014-2021 period.

Another consequence of India's limited opening is [decreasing FDI](#): in 2016, India introduced a new model of bilateral investment treaty, which made it difficult for foreign investors to have recourse to international arbitration. This has limited the signing of new deals to facilitate foreign investment. The conclusion of a CEPA and a BIT with the UAE (see below), along with an Australia-India Economic Cooperation and Trade Agreement ([AI-ECTA](#)) that entered into force in December 2022, point to a possible change in New Delhi's policy. In March 2024, following negotiations that started in 2008, India signed a trade and economic partnership agreement ([TEPA](#)) with EFTA (the European Free Trade Association, comprising Iceland, Liechtenstein, Norway and Switzerland). However, India maintained a hard stance when negotiating on [food stockpiling at the WTO](#), causing talks on a major reform of the global trade rules for food subsidies to fail. New Delhi wants to avoid engaging on unpopular agreements, taking into account ongoing (like in [Europe](#)) [farmers protests](#).

Modi's India has developed [connectivity with its neighbourhood](#) countries, in the framework of its 'neighbourhood first policy'. New Delhi has set up schemes supporting Indian companies' bids for strategic infrastructure projects in neighbouring countries. India also seeks deeper engagement in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation ([BIMSTEC](#)) with Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka and Thailand, which provides a viable alternative to the eight-member South Asian Association for Regional Cooperation ([SAARC](#)), which is lagging behind due to strained relations between India and Pakistan. After re-election, Modi chose the Maldives and Sri Lanka as the first destinations on his trip abroad, as China was building close ties with them. During the second term, the Modi administration has also abandoned its traditional policy as the sole power with an interest in the region, switching to a new strategic approach focusing on coordinating and promoting cooperation with powers outside the region, such as the US, Japan and Russia, aiming to contain Beijing's growing clout in the region. India also implemented its vaccine diplomacy in neighbouring countries during the Covid-19 pandemic crisis.

India and Pakistan, both nuclear powers, began to quarrel from the moment they obtained independence from British rule in 1947. The main point of contention is [Kashmir](#), administered partly by India (Jammu and Kashmir), partly by Pakistan (with another part occupied by China), a region that has triggered three of the four wars between them. When, in August 2019, India revoked Jammu and Kashmir's special autonomous status, Pakistan downgraded its diplomatic ties with India and suspended bilateral trade. The historic rivalry has prevented the SAARC from advancing, thereby reducing chances of cooperation among its eight countries (the last SAARC Summit took place in November 2014); the EU has had observer status in the SAARC since 2006. Under Prime Minister Modi, after initial peace overtures, India has hardened its position towards Pakistan – historically [accused, including by the US](#) – of harbouring terrorist groups ready to commit attacks against India, like the [2008 Mumbai attacks](#). In April 2024, Defence Minister Rajnath Singh said [India would enter Pakistan](#) to 'take down' terrorists carrying out activities in the country. At present, Pakistan does [not appear to be a priority](#) for the Prime Minister: when Modi congratulated newly appointed Pakistani Prime Minister Shehbaz Sharif in March 2024, there was no mention of working together to enhance ties in his message, unlike in the past.

As in the aftermath of Russia's March 2014 annexation of Crimea – when India clearly stated that it could not be part of any sanctions against Russia – India maintains a policy of neutrality over Ukraine, refusing to condemn Russia's aggression. Like China, [India is purchasing Russian oil](#) at rock-bottom prices, which increased bilateral trade in 2023 to over US\$50 billion, a record volume driven by New Delhi's imports of crude oil (+1144% from February 2022, the beginning of Russia's invasion of Ukraine, to April 2023). India and Russia also have long-standing [cooperation on nuclear energy](#), with a roadmap providing for the construction of 12 units in India, confirmed by a visit to Russia in December 2023 by Foreign Minister Jaishankar, who signed agreements with Russia for additional units of the Kudankulam plan. For decades, and until recently, Russia has been India's main supplier of military equipment. Nevertheless, even before Russia's war on Ukraine, the Stockholm International Peace Research Institute (SIPRI) noted a [drop](#) in Russian sales of military equipment to India of 34% between 2014-2018 and 2019-2023. Despite New Delhi's neutrality, analysts argue that Moscow's invasion of Ukraine has prompted a shift that will make Russia less central in Indian foreign policy – Chatham House analyst Chietigj Bajpaee foresees a [managed decline](#) in the future of India-Russia relations, and analyst Jagannath Panda believes that India's [strategic tilt to the West](#), led by Modi's personal diplomacy, is likely to overwhelm the historical relations with Russia.

This tilt is evident in India's increasing reliance on the US. Bilateral relations have enjoyed significant growth since the beginning of the century, through deep and multifaceted cooperation, also due to a large [Indian diaspora in the US](#), New Delhi's top trading partner. In June 2023, Prime Minister Modi paid a state visit and addressed the US Congress, while in September Modi and US President Joe Biden moved to [cement ties in defence and technology](#) on the margins of the G20 Summit in New Delhi; this prompted Kurt Campbell, US National Security Coordinator for the Indo-Pacific, to say he believed the bilateral relationship with India would be the most important one of the 21st century for Washington. On this occasion, the partners also [resolved their trade disputes](#) at the WTO (World Trade Organization), and Biden expressed US support for New Delhi's bid for a permanent seat on the UN Security Council. During the Fifth India-US 2+2 Ministerial Dialogue in November in New Delhi, India announced it would [join](#) the 41-member (including nine EU Member States) [Combined Maritime Forces](#) naval partnership based in Bahrain to guarantee maritime security and combat piracy in the region. Demonstrating the strength of the partnership, both the US and India played down allegations of a failed [murder plot against a Sikh separatist](#) on US soil, with New Delhi's possible involvement (in contrast, a [diplomatic spat](#) occurred when Canada's Prime Minister, Justin Trudeau, linked India to the murder of another Sikh separatist in Vancouver in June).

During his second term, Prime Minister Modi often visited the [Persian Gulf region](#) (which New Delhi calls 'West Asia') – especially the UAE, the main destination country for the Indian diaspora – on which India is traditionally dependent for its energy imports (particularly Iraq, Saudi Arabia and the UAE) and from where a significant portion of foreign direct investment (FDI) comes.

In February 2022, India and the UAE signed a Comprehensive Economic Partnership Agreement ([CEPA](#)), followed in February 2024 by a Bilateral Investment Treaty ([BIT](#)). Security is a further field of cooperation with several countries in the region. When, on 7 October, Hamas attacked Israel, [Modi condemned the terrorist attack](#) and stated that India stood with Israel. Since then there has been no statement about the situation in Gaza – except reiterating New Delhi's traditional policy in favour of a [two-state solution](#) and expressing concern about [Indian citizens in Israel](#). In December 2023, India voted in favour of the UN resolution demanding a ceasefire in Gaza. The [press](#) reported on the Israeli army allegedly inducting Indian-made drones into its surveillance and bombing fleet.

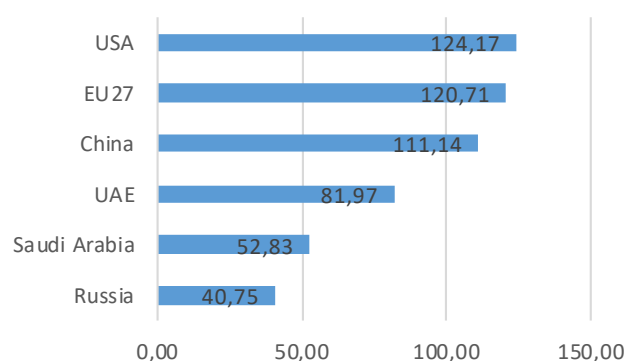
Indian Foreign Minister Jaishankar's trip to South Korea and Japan in March 2024 stepped up security and economic cooperation and boosted ties with two important partners in the Indo-Pacific. Japan has also been supporting infrastructure and [connectivity](#) development in India, including high-speed rail projects. It was in New Delhi in March 2023 that Japanese Prime Minister Kishida Fumio launched Tokyo's [New Plan](#) for a 'Free and Open Indo-Pacific'; his late predecessor [Abe Shinzō](#) enjoyed a close relationship with Narendra Modi.

The EU and India

The EU and India celebrated 60 years of bilateral diplomatic relations in 2022. Their [cooperation agreement](#) dates back to 1994 and they have been [strategic partners](#) since 2004; the EU adopted a [strategy on India](#) in 2018. At the last EU-India Summit, held in July 2020 by video-conference, the leaders endorsed a common [roadmap](#) to guide joint action until 2025 and further strengthen the EU-India strategic partnership, which, as a February 2024 EUISS (European Union Institute for Security Studies) paper observed, has [lacked traction until recently](#), as it was excessively focused on trade and economic-related issues. The first ever [EU-India leaders' meeting](#) took place in May 2021 in Porto by video-conference, with the participation of the leaders of all 27 EU Member States and Prime Minister Modi. The leaders agreed to resume trade negotiations and launched an [EU-India Connectivity Partnership](#). In April 2022, during the first visit of European Commission President von der Leyen to India (where she was chief guest for the [Raisina Dialogue](#)), the establishment of an [EU-India Trade and Technology Council](#) (TTC) was announced. The 10th EU-India [Human Rights Dialogue](#) took place in New Delhi in July 2022. The 9th EU-India [Foreign Policy & Security Consultations](#) took place in November 2022 (in November 2023, the EU posted a [military attaché](#) to the EU Delegation in New Delhi). In September 2023, in the margins of the G20 Summit in New Delhi, the EU, India and other partners signed the MoU on the India-Middle East-Europe Economic Corridor (IMEC). In November 2023, the EU and India signed a MoU on [semiconductors](#). The EU and India also cooperate in several fields, including [climate change](#), [environment](#), [water pollution](#), [maritime security](#), [migration](#), [digitalisation](#) and [health](#).

The EU is India's second largest [trading partner](#) (10.8% in 2022) and India's second largest export destination, both after the US, as well as the third largest origin of imports after China and the UAE. India is the EU's 10th largest trading partner; in 2022, it accounted for 2.1% of total EU trade in goods. In 2022, EU-India bilateral trade in goods amounted to €115.3 billion (€47.6 billion in exports and €67.6 billion in imports), with a deficit of almost €20 billion for the EU. India is a beneficiary of the EU's Standard [GSP](#) (Generalised Scheme of Preferences). To make a comparison, even if part of a sharply decreasing trend (from €397 billion in 2022 to €291 billion in

Figure 2 – India's main trading partners in 2022 (€ million)



Source: [European Commission, DG TRADE](#), April 2023.

2023), EU trade in goods with China is [more than double](#): so there may be potential to develop EU-India trade. Trade in services between the EU and India was €40 billion in 2021 (the EU exported €19.2 billion and imported €20.7 billion). The EU's share of FDI stock in India amounted to €87.3 billion in 2020, making the EU a leading foreign investor; however, the EU invested much more in countries like Brazil (€263.4 billion) and China (€201.2 billion). Negotiations on a bilateral trade and investment agreement ([BTIA](#)) began in 2007, stalled in 2013 and [resumed](#) in June 2022. The EU and India also launched negotiations on an investment protection agreement and on an agreement on geographical indications.

The European Parliament and India

Relations between the European Parliament and India's *Lok Sabha* ('House of the people') go back to 1981. The 15th EU-India Inter-parliamentary meeting ([IPM](#)) took place in December 2023 in New Delhi and Mumbai. In January 2024, Parliament adopted a [report](#) on EU-India relations. MEPs recommended broadening and deepening EU-India relations as strategic partners, upholding the commitment to regular multi-level dialogues and summits, and making tangible advances on priority areas of the partnership, such as: climate change and green growth, digitalisation and new technologies, research and development, connectivity, trade and investment, foreign, security and defence policy, and human rights and the rule of law. They reiterated Parliament's long-standing position that any FTA with India must include a trade and sustainable development chapter, as expressed in Parliament's July 2022 [resolution](#) on EU-India future trade and investment cooperation.

MEPs expressed concern at India's 'heavy military dependency on Russia', urging India to join international condemnation of Russia's invasion of Ukraine, while maintaining its political line of seeking an end to hostilities and the resumption of diplomacy and dialogue. MEPs recommended engaging with India on its purchases of low-cost crude oil from Russia and subsequent sale of refined oil products on international markets, as well as its involvement in the Russian diamond trade, also in the EU. MEPs asked the Council and the HR/VP to monitor India's dependency on Russia in the nuclear energy sector, and insisted that New Delhi cease further joint military exercises and joint military equipment production, and downgrade defence cooperation with Moscow.

With regard to human rights and democracy, Parliament condemned 'acts of violence, increasing nationalistic rhetoric and divisive policies and [called] on leaders to cease making inflammatory statements in order to resolve social conflicts', upholding a position already expressed in its July 2023 [resolution](#) on the situation in [Manipur](#). MEPs continued to express serious concern about India's Citizenship Amendment Act and other laws that discriminate on grounds of religion, and they encouraged India to guarantee freedom of religion. They recommended countering and condemning hate speech inciting discrimination or violence against any religious minority, and pressing the Indian authorities to end persisting caste-based discrimination. Parliament expressed concern about the situation in Indian-administered Kashmir, particularly respect for the human rights and fundamental freedoms of the Kashmiri people.

Elections

From 19 April to 1 June 2024, [968 million](#) Indian voters are eligible to elect the [Lok Sabha](#) members. Among them, there will be some 18 million first-time voters (aged 18 and 19) and about 197 million voters in their 20s; 48 000 transgender people are eligible to vote. However, Indians [cannot vote from abroad](#). The Constitution allows for a [maximum of 552 members](#): up to 530 represent India's 28 states, and up to 20 represent the nine union territories, for a five-year term. At present, the *Lok Sabha* has 543 seats filled by elected representatives – all elected through a first-past-the-post electoral system. Two additional members from the Anglo-Indian community can be nominated by the Indian President. Voting is to take over more than six weeks in seven phases across states and territories, concluding with a final round on 1 June; votes are set to be counted on 4 June. This time span is necessary to deploy domestic election observers and, in particular, security forces between phases to prevent election-related violence in the world's seventh-largest country. Since 2004,

voting is conducted only through 5.5 million electronic voting machines – allowing quick counting, cost savings and a more environmentally friendly voting process (no ballot papers and easier transport compared to ballot boxes) – that can be used in areas without electricity. [Controversies over technology](#) and the possibility of fraud by tampering/hacking the machines have been rejected. In September 2023, the Indian Parliament approved almost unanimously the [Women Reservation Bill 2023](#), reserving a third of seats for women in the *Lok Sabha* and state assemblies (at the end of the current term, women made up only 14% of members of the *Lok Sabha*). However, the concrete implementation of the Bill will first require the delimitation of constituencies based on the first census figures conducted after the Act – and are therefore not for the 2024 elections.

Analysts argue that Prime Minister Modi is on track to win a third mandate against a divided opposition. His Bharatiya Janata Party ([BJP](#)), the biggest political party in the Parliament, secured big [victories in three state elections](#) in December 2023 in India's 'Hindi heartland'; the party leads the right-wing 38-party National Democratic Alliance ([NDA](#)) coalition. The BJP's election campaign focused on its welfare schemes, on nationalistic and religious rhetoric ([Hindutva](#)) equating Hinduism and India, and the considerable popularity of the Prime Minister. In January 2024, Modi presided over the consecration of a [massive Hindu temple](#) devoted to Lord Ram in northern India's Ayodhya, built on the site of a 16th century mosque destroyed by violent Hindu hardliners in 1992, fulfilling a long-standing promise. The BJP has been a main beneficiary of the [electoral bonds](#) fundraising scheme that the Supreme Court declared unconstitutional in February 2024.

The opposition has gathered around a 26-party alliance ([INDIA](#) – Indian National Developmental Inclusive Alliance), forged by the Indian National Congress ([INC](#)) in July 2023 and led by its President, Mallikarjun Kharge. The INC – a secular and centre-left national party, traditionally led by the Gandhi family – has dominated Indian politics since the country gained independence. The alliance suffered several setbacks in January 2024, including a political leader suddenly quitting to re-join the NDA, and powerful West Bengal Chief Minister Mamata Banerjee announcing that his Trinamool Congress (TMC) party (to which belongs [Mahua Moitra](#), expelled from the *Lok Sabha* in September 2023 following a controversial case) would rather join a post-poll alliance of regional parties.

In March 2023, INC leader Rahul Gandhi was disqualified from his seat in the *Lok Sabha* and condemned to a two-year prison term in a defamation case against Modi. The Supreme Court suspended that conviction in August 2023 and Gandhi returned to his seat. In the months preceding the elections, there has been an intensifying clampdown on opposition parties: leaders have been [arrested](#), questioned or had cases filed against them by federal agencies. In particular, Aam Aadmi Party (AAP) [Delhi Chief Minister Arvind Kejriwal](#) was arrested in March 2024 in connection with a Delhi liquor policy money laundering case, becoming the first sitting chief minister in Indian history to be arrested. The case has also provoked a [diplomatic spat](#) between India and Germany.

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