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Introduction to the Indian elections

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General elections in India have been underway since April 19th and ended on June 1st. The results will be announced on June 4th. The 543 members of the **Lok Sabha**, the lower house.¹ Each of the 543 parliamentarians will be elected in a single constituency. The candidate who obtains the highest number of votes in the constituency is elected. In addition to taking place with the longest electoral process in the history of multi-party parliamentary democracy, the Indian elections will also be the largest: 968 million citizens have the right to vote, the majority of whom are women.

Election polls are prohibited during the electoral process. The coalition (*National Democratic Alliance*) of the incumbent Prime Minister, Narendra Modi (*Bharatiya Janata Party*, BJP), seemed largely favored in the pre-election polls. If so, it would be Modi's third term. The largest opposition party is the *Indian National Congress* (INC), which leads the *Indian National Developmental Inclusive Alliance* coalition.

The Indian elections and their results interest us essentially for three reasons:

- 1) to understand how the country's international role will evolve;
- 2) to understand how economic policy will evolve and what its impact may be on the country's economy;
- 3) to analyze political risks and understand which governance system could emerge, in the tension between authoritarianism and democracy, to manage the transformations and face the political and economic challenges that India has ahead of it.

According to the major news agencies (see, for example, [Explainer : India's Lok Sabha election 2024: What are the key issues ? | Reuters](#)) the main themes of the electoral campaign are economic development, unemployment and inflation, social policies, racial and religious divisions, corruption, the country's international role.

The situation in India today

The pandemic has disproportionately affected certain economic and social subgroups, such as the service sector, informal businesses, women and disadvantaged groups. However, even before the pandemic, the Indian economy had shown signs of weakening, with growth in private investment and exports slowing².

Since 2022, however, economic growth has recovered robustly, above the average for the region. According to the [Asian Development Outlook](#), growth in 2022 was 7.6% and forecasts for the current and next year are above 7%. In this way, India represents the second growth engine in the region, after the People's Republic of China. Inflation, estimated at 5.5% in 2023 and expected to exceed 4% in the following two years, is however higher than the regional average. Furthermore, per capita income growth still remains insufficient to close the gap with the PRC and Southeast Asia³.

About 40% of the workforce remains employed in agriculture, where productivity and wages are well below the national average. Manufacturing accounts for only 12% of total employment, but much of it is concentrated in small businesses that typically operate in the informal sector, where productivity and wages are low. Work relationships remain largely informal (for as much as 80% of the workforce, with peaks of 90% in agriculture).

¹Two other members are appointed by the President of the Republic.

² <https://data.worldbank.org/indicator/NE.GDI.FPRV.ZS?locations=IN>

³ <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.KD?locations=CN-IN-4E&start=2000>

Tariffs on imports remain among the highest in the world. The concentration of economic power in industry has grown. Financial imbalances (*twin deficits*) and inflation remain high. Job creation in the formal sector is insufficient, and women's labor force participation has declined ⁴. Economic inequalities have increased ⁵.

Among the Sustainable Development Goals (SDGs), India lags behind on gender equality (SDG 5), on industry, innovation and infrastructure (SDG 9), and on inequality (SDG 10), while it is better positioned on quality education (SDG 4), responsible production and consumption (SDG 12) and climate action (SDG 13).

Primary education became nearly universal in 2016, and gender parity at primary and secondary levels has been achieved in many states. However, critical issues remain in the outcomes produced by the school system, particularly in terms of reading and writing skills and numeracy ⁶.

In the health sector, the government intends to pursue universal coverage of services through the *Ayushman programme Bharat* and the National Health Mission, extending healthcare infrastructure, human resources and digital healthcare services and providing health insurance to the low-income population. Despite progress in these programs, access to health services for the poor and the quality of services remain a problem.

Modi's government

Modi's critics point out that during his governments the politicization of the police has increased and the autonomy of the judicial system has been reduced, with the use of anti-terrorism and anti-money laundering laws to detain political opponents (including journalists, lawyers, artists and a Jesuit father), the transformation of India's secular democracy into a Hindu Rashtra, i.e. a Hindu-dominated state, and favoritism towards big business ⁷. Many critics also point to the attempt by Modi and his aides to influence Indian public opinion and international observers through pressure and propaganda techniques, including at times the manipulation of economic data, denounced by many economists.

[Diego Maiorano \(The Hindu Centre\)](#) identifies five political developments that have emerged during the Modi governments and which could have long-term impacts:

- 1) the majoritarian and identity drift;
- 2) the abolition of article 370 of the Constitution, which attributed special autonomy to the Jammu and Kashmir, whose population is predominantly Muslim;
- 3) the widening of the North-South divide;
- 4) the persistent inability of the economic system to generate jobs;
- 5) the introduction of female quotas in legislative assemblies.

The majoritarian drift will probably last a long time: the majority (Hindu) religious identity feeling and the hostility towards Islamism and immigration are not only political but cultural phenomena (not specifically only Indian). Even the abolition of regional autonomy will be difficult to reverse until negotiations for a stable solution to the Kashmir problem are started, just as the polarization between the North (pro Modi) and the South, which has deep economic and

⁴ [Acharya, Viral, "India at 75: Replete with Contradictions, Brimming with Opportunities", 2023](#)

⁵ [Bharti-Chancel-Piketty-Somanchi, "Income and Wealth Inequality in India, 1922-2023", 18 March 2024](#)

⁶ [Acharya, Viral, 2023](#)

⁷ [John Reed, "How to Understand Modi's India", FT, 1 May 2024](#)

cultural roots, will remain for a long time and it could even be exacerbated following the long-delayed overhaul of constituencies in 2026.

Even growth without the creation of stable jobs is a long-term structural problem. Modi governments have implemented a series of policies, primarily extensive infrastructure investments, that are moving in the right direction, but the results are not yet visible. Furthermore, as we have seen, obstacles to inclusive growth (in particular concentration of economic power and inequality) remain high.

Finally, the greater participation of women in the political system, which will however only come into force after the revision of the electoral colleges, will have long-term effects ⁸. It is too early to write the obituary of Indian democracy, concludes Maiorano. The real test will be when the possibility arises of a new majority taking over from the current one.

India's international projection

Some of the political processes underway in India, described by Diego Maiorano, had already begun during previous Congress Party governments and are unfortunately common to other party democracies (such as Turkey, the Philippines, Thailand).

For Modi's supporters, 2014 marked the beginning of a new era characterized by good governance, decision-making and international projection. The culmination of India's new global activism was probably reached last year, when India hosted the G20 and the Shanghai Cooperation Organization (China, Kazakhstan, Kyrgyzstan, India, Iran, Pakistan, Russia, Tajikistan, Uzbekistan). India has proposed itself as the leader of the "Global South", has assumed an intermediate position between Russia and the West, but at the same time continues to present itself as an ally of the USA in antagonism to China. In 2023 it promoted two international initiatives that exclude China: the Global Biofuel Alliance (in which Italy also participates) and the IBSA alliance (India, Brazil and South Africa) for the reform of multilateral financial institutions.

However, two events have dented India's international image: the assassination and attempted assassination of Sikh separatists in Canada and the USA respectively, of which agents of the Indian secret services are suspected, and the tenuous reaction of the Modi government, which has developed a strong bond with Israel over the years, following the Israeli invasion of Gaza (following the atrocious terrorist attack by Hamas), in respect of which the low and middle income economies have almost unanimously sided against Israel ⁹.

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⁸ India's New Gender Quota Law Is a Win for Women—Mostly

⁹ Hall, Ian, "India 2023: Tactical Wins and Strategic Setbacks in Foreign Policy?", Asia Major, 2024

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