

1. Political Stability

Apprehension about India's political health relates in part to the central government's ability to hold the world's largest democracy together. When the minority Congress (I) government of Prime Minister Narasimha Rao took office in June 1991, few expected the Prime Minister to survive politically for more than six months or the party to last its full five-year term. Four years later, Prime Minister Rao remains at the helm of the government. His party now commands a slim majority in Parliament and is expected to contest the next national election anticipated in mid-1996. Recently, Congress (I) has fared poorly in state elections, and Prime Minister Rao has faced challenges to his leadership from within the party. However, he has forthrightly resisted these challenges.

2. Religious Tensions

The strength of India's democratic institutions is well established and should continue to buttress political stability. Concerns that India's fiercely-protected secular society would be undermined by fundamentalist entities, such as the Bharatiya Janata Party (BJP), have not become a reality. While India may have a more pluralistic political environment than in the past, voters have shown in recent state elections in the Hindu heartland that economic and social issues are more important than religious zealotry. The probability of further violent incidents such as the December 1992 attack on the Ayodyha mosque by Hindu fundamentalists has been significantly reduced. Law and order is being enforced.

3. Regional Unrest

Political stability in India has always been a relative term. A strong central government has been able to bind this ethnically, religiously, and culturally diverse country together. However, there has been regional discontent and New Delhi has not been loathe to use extra-Parliamentary measures to enforce law and order or to rule under Presidential fiat. The central Government remains preoccupied with unrest and secessionist movements in Kashmir, the Punjab, the Northeast, and the deep south. The Kashmir situation is the bleakest, worsened by on-going insurgency from Pakistan. The Punjab has achieved a degree of stability but the harsh measures used to achieve this have left a residual resentment, especially within the Sikh community. The remote northeast considers itself a forgotten area with the tribal peoples of the region having no affinity for the leadership in New Delhi.

4. Social Issues

The Indian government faces challenges in addressing the political and economic concerns of its far-flung regions and the social issues affecting its millions of poor people. The government has progressively taken steps to improve the situation. India's economic reform program is part of this effort to deal with the current socio-economic situation in India. Nevertheless, the government has slowed down