

## **Pravasi Bharatiya Divas – Europe**

Organized at The Hague, The Netherlands

On 19<sup>th</sup> September 2009

### **India Rising: The Role of Indian Diaspora in accelerating India's transition as a Global Power:**

Background Paper prepared by the Foundation for Critical Choices for India  
-----

- 1. Introduction:** Purpose of this background paper is to scan the subject area of the theme of the Conference, and drawing the characteristics of India as an Emerging Global Power, spell out more specifically the role which the community of NRI/PIOs in Europe can play in realizing some of the objectives of India in this area. The contents of the paper are not comprehensive but concentrate more on the contribution of Indian Diaspora. Our starting point is that already Indian Diaspora has contributed considerably to India's economic and social development through remittances, philanthropies, through NGOs, etc but we feel that the potential scope of its contribution is tremendous. Paper tries to spell out some of the instruments and mechanisms which can be used by the Government of India and the State Governments, in realizing this potential. The paper will be revised further as a result of discussion and suggestions made by different speakers and those attending the Conference.
- 2. India as An Emerging Global Power:** Right from the Independence, Late Jawaharlal Nehru and other prominent Indian leaders and people of India, have been dreaming of joining the club of "Developed" countries", as early as possible. With this in background, India has been playing a major role in international sphere, as a prominent and active member of the United Nations, a member of the Group of 8 and Group of 20, a member of the Group of Four Emerging Countries (BRIC) (*Justine Fox, 2009*), and a frontline leader of the Group of Non-Aligned Countries. Though, it has not yet become one of the permanent members of the Security Council, many leading nations support its claim, and in actual practice it is already counted as one of the major global powers of the world. Its active participation and advice is sought after by the world leaders in analysis and solution of major world problems. Its economic, educational and political development in a short period of 62 years after independence has attracted the attention of many political actors on international scene. Many experts in economic development and strategic studies are commenting on India as an Emerging Global Power, as a Super Power, and as one of the four major economies of the world.

3. **Dr. Steven P. Cohen's study on: India Emerging Power:** In a more or less mono-polar world at present, much depends upon what the major super power United States thinks about other claimants for the place in the Sun. Many think-tanks in America engaged in strategic studies, defense studies, studies of war and peace, have been focusing attention on India, since the end of the cold war era. In the wake of this, the rise of new problems like international terrorism, and the need to share the costs of making peace prevail on the earth, Brookings Institution, a well known think-tank specializing on Asia and South Asia particularly, brought out in 2001, a study by Dr. Steven P. Cohen, a South Asia Expert on India, projecting it as an emerging power in Asia and the world at large. Cohen's critical and well documented study has led to a number of other reactions and world leaders looking at India seriously from this impending perspective. Documenting precisely how India has grown considerably in all spheres which are characteristics of a global power, he has indicated how it is in the interest of the United States and the world, that India realizes this status as early as possible. He concludes that already after Japan and China, India is the third Asian Regional Power and, the strategic planning of world powers need to take notice of this. Admiral Robert, Commander of U.S. Pacific Command, stated in his confirmation hearings that, "India's growing economic, diplomatic and military power makes them a key player, not only in South and Central Asia but globally as well." *"India's Growing Power Makes it a Global Player"*, Times of India, 10 July, 2009.
4. **What it means to be a Global Power?** Steven's book and writings of many others on international relations mainly emphasize the apex position of India with regard to economy, political governance, military power, visible and invisible influence on world and regional strategic decisions, superiority in space, science and technology, relative abundance of natural and other resources, etc. Advantages of being a leader in economy and military give rise to large amounts of state revenues which help the country in acquiring leading positions in other spheres also, such as sports, art and culture, medicine, environment and climate change, interfaith dialogue, international tourism, etc. One indicator of this is the number of gold medals won at International Olympics. India got only one at the last one at Beijing, while China scored over United States in the tally of gold medals. In other words, attributes of a global power are many and not all countries may fulfill all criteria. But they can compensate lack in one by almost monopoly in the other. Against this background let us look at India at the present and the foreseeable future.
5. **India as a world economic power:** Economy of a country is the main barometer of its overall strength. GDP and GDP per capita indirectly provide a ranking of leaders, followers and those who also ran. Some observers state that India was already a leader in the world economy at the end of the 1<sup>st</sup> Millennium and its GDP then was half of the world known then. Subsequent invasions, occupations and colonization of the country led to exploitation of its wealth, and at the dawn of independence left the country with a war shattered economy, frequent famines, low farm outputs, little development of infrastructure, health, education facilities

and a big population. However, since independence India has made tremendous progress in the economic sector. Famines have been eliminated, and thanks to the Green Revolution the country not only became self sufficient in food but was also able to keep the biggest buffer stock of food grains in the world - not only for its own people but also to help other countries suffering from crop failures.

In a comprehensive and objective analysis of the Indian economy from Independence to date, Aravind Panigaria in his book “*India the Emerging Giant*” (Oxford University Press, 2008), has sketched the “surge” and march of Indian economy towards becoming a world economic giant, if the policies of economic liberalization, poverty alleviation and governance reforms are continued. Some observers like Goldman Sachs also see a distant possibility of India surpassing China by 2050.

- 6. Economic Development in Planning Era:** The Indian leadership was very much impressed by the liberal democracy of the West and the economic and social planning approach of the Soviet Union. In fact, initial plans were prepared by the economists who studied under Holland’s famous economist, Prof. J. Tinbergen. In view of the limited development of the private and voluntary sectors during the colonial period, state was forced to enter into some of the highly desirable activities for economic development, such as heavy and strategic industries, major infrastructure, higher education, etc. Planning in India never followed the rigid, centralistic Soviet type of planning and implementation. For great part of the period after independence, India followed its own version of *mixed economy* and a comprehensive planning system with involvement of the states (provinces), much decentralization and use of experts in technical and economic decision-making on projects, etc. As Gurucharan Das observes, “Despite Nehruvian socialism, three fourths of the economy has been in private hands (*India Unbound*, 2002, p. 317). Despite occasional fluctuations, India attained an average growth rate of 5% consistently. One should not forget that it was only that this planning era had already prepared a relatively more advanced and comprehensive economy with a balanced development of different sectors, that the era of economic liberalization starting in 1990s helped the country to attract much foreign and local investment and started the process of increased exports, resulting in increasing growth rates of 6, 7, 8, 9 % which have now been interrupted due to global economic crisis and quantum drops in growth rates everywhere. However, actual drop in India has been much smaller than in Europe and United States and as Prime Minister Manmohan Singh emphasized in his speech from the Red Fort on 15<sup>th</sup> August 2009, that he is still hopeful that the rate of 9% can be achieved already this year and that 10% is not too far.

**7. Can India join the 10% Club?** Taking advantage of globalization, and introducing timely economic liberalization, Asian “Tigers” like Japan and following the “*Look East*” policy, other countries like China, South Korea, Hong Kong, Malaysia, all increased incoming foreign investment and realized the magical 10% increase in GDP per annum. Leaving out China, the increased growth in other South East Asian countries survived on the basis of increased exports and outsourcing. All this was based on stock exchange share market which collapsed in 1980s, India and China are fortunate that they have very big

internal consumer markets and also possibilities of more foreign direct investment. Both India and China have a big Diaspora which came to the rescue of their motherlands during financial crisis at different times.

**6.1 Much Optimism about India: pre and post Global Banking Crisis:** Before the onslaught of the Banking Crisis, political leaders, economists, trade specialists were very confident of India joining soon the “10%” club, and many investors, industrialists and forecasters were very optimistic about India’s economic development galloping fast and joining soon the club of Global Powers also. China which had an early start with economic liberalization and advantage of a one party system, suffered a lot also as a result of slow-down in world economy. Moreover, many European and North American investors started feeling the increasing constraints in China, its not so good human rights record and limitations as a world knowledge economy. On comparison, many investors would prefer India due to its open, democratic process, use of English language, a large pool of well trained scientists and technologists, a large and diverse private sector of its own, and increasing efforts of the Government to improve economic infrastructure and introduction of still more liberalization in economic decision-making, legal processes, etc. Already the Indian entrepreneurs are showing their hunger to takeover some of the big enterprises in Europe and elsewhere. At present India is one of the big foreign investors in the Netherlands. Some Indians are regularly figuring in the list of world economic and political elites like the Forbes List and Time’s *The World’s 100 Most Influential People* (Nilekeni and A.R. Rahman, (TIME, May, 2009) etc. Observers, both inside and outside the country are forecasting that Indian economy will emerge still stronger after the banking crisis. Time Magazine states that out of 15 world’s large economies, only two namely China and India will have positive high growth rates, in the immediate post banking crisis era. The same magazine while locating India at No. 50 in the table of competitiveness, in its study of 3000 companies from developing countries, suggests that 20 Indian companies have the potential to be global players in near future. (Time, October 27, 2008). Economist (London) also observed that India is likely to come out more successful from the present economic downturn, as it was hit less hard by global recession, its industrial production has perched up and the domestic spending has bounced back (*Astonishing Asian Rebound*). EU Trade Commissioner, Chris Patten, is of the view that “India is unstoppable ‘heavy weight’, ready to take the world by surprise”. Mr. Vyacheslav Trubinkov, Ambassador of Russian Federation in India thinks, “post-globalization India has overstepped its role as a regional power and is now emerging as a global power”.

**7. Indian Scenarios and Visions of a Developed India.** In addition to Indian Planning Commission’s official *Long Term Perspective Plan of India*, there have been also other long term visions of India in the new Millennium. *Vision India 2020*, authored by the former President of India, Dr. A.P.J. Abdul Kalam and Dr. Rajan not only consists of the overall vision of the country in 2020, but also analysis and targets of the specific sectors of the economy. The authors argued that if the Government and others accept their analysis and targets set by them for different sectors, *India will be a developed nation by the year 2020*. But this

scenario has become irrelevant for two reasons: one it was based on the assumption of continuing the planning growth rate of 5% per annum and second, it ignores completely the possible multi-faceted contribution of Indian Diaspora (*Foundation for Critical Choices for India: A Quarter Century of Service to India, 2008*). We, and some other keen observers of India feel that if the rate of foreign investment increases faster, the required economic reforms are introduced soon, economic and physical infrastructure is updated, the backlog which India has with regard to basic education, adult literacy, girls education, environmental sanitation is tackled on war footing, *India can achieve the status of a Developed nation earlier than 2020, may be by 2015*. Based on the recommendations of the Knowledge Commission, chaired by Dr. Sam Pitroda, to the Prime Minister, Government of India has already put their implementation in the fast track with accelerated presentation of many legislative measures like right to education, establishment of a large number of new world class universities, reform of the legal and trade system, etc.

**7.1 India's advantages in the Run to Global Status in Economy:** India had been very fortunate in inheriting at independence, a well developed system of political and economic governance (Pavan K. Verma, 2004). Few people know that the second Stock Exchange in the world was established in Bombay (Mumbai), the first one was in London. Mumbai was also the second city in the world to have electricity after Paris and London. Private banks and Reserve Bank existed for long in colonial period also, already more than half of the senior Administrative Cadre was Indianised, a number of well organized local ownership enterprises existed in major sectors like textiles, sugar production, iron and steel, bicycles, tractor and auto industry, tea, coffee and other plantation products, paper and pulp, basic medicines, film making, cement, etc. to which, were added engineering, aircraft, heavy chemicals, fertilizers, aluminum, copper cables, etc. Already in 1980s, India was considered one of the top 12 industrialized countries of the world. India has a tremendous labour reservoir of unskilled, semi-skilled and highly skilled labour, a large fleet of engineers of all types, India ranks 3<sup>rd</sup> in the world for number of graduates in science and technology, next to USA and Russia. India's largest middle class has also been commented upon by western experts. The impact of increased consumption of high price, high quality goods is already seen and with increase in purchasing power of the rural masses, India will also be able to sustain the level of economy mostly on the basis of consumer spending, as in the USA. Although many industrialized countries in the world have to face increasing problems of sustaining expenditure on old age pension and health problems of aged, India is very lucky that for a long period the increasing labour market of young and the middle aged persons, will take care of it without burdening the state finances too much. Already, *India ranks as the 4<sup>th</sup> biggest economy in the world using purchasing power criterion. The strength of Indian Rupee has also been more or less stable, and foreign exchange reserve is very high*. Possibilities of outsourcing in manufacturing, service sector, education and training, research and development, maintenance of aircrafts, are considerable, with further economic liberalization, both indirect and direct foreign investment can increase further and possibly its status in the world

economy can move to the 3<sup>rd</sup> place after US and China by 2050 (Mc Kinsey Study 2003). Instead of speculating further when this will happen, we will move to other sectors of global power leadership such as, political governance, military power and what is typical to India the *Soft Power*.

**8. Political and Diplomatic Power of India:** As future global power, attention is often focused on India's political system and process. As already stated in the introduction, all concerned appreciate India's status as the largest democracy in the world. Despite the divisions of religion, caste, language, economic status, India has been successful in maintaining the democratic and secular nature of the country. Except for a brief period in mid-1970s when parliamentary system was compromised, in all its 62 years of Independence, it has taken pains to observe all requirements of a democratic system. Elections are held periodically, power changes hands on the basis of people's verdict. There exists an Independent Election Commission, independent judiciary, freedom for anyone fulfilling minimum criteria to contest elections to local, regional and national legislatures. Executive is accountable to legislature and to people at large. There is considerable decentralization of power at sub-state level to the districts and *panchayats*. There is a reservation of seats for the disadvantaged groups like Scheduled Casts, Scheduled Tribes, minorities like Anglo-Indian Christians, women, etc. In this context *recently India has reserved 50% of the seats in panchayats for women*. At most national elections observers from other countries, researchers and newspaper correspondents, have free access to the process and its outcome.

**8.1 Maturity of Indian Democracy:** Everyone is aware that democracy as an ideal itself is not perfect but that is the best we know. Also that democratic maturity is a long drawn process. Even in Europe in some countries women have been given the franchise only recently. In parliaments of some of the European countries one sees occasionally the same scenes of disruption, throwing of chairs by members against each other, as is considered a common characteristic of legislatures in developing countries. The process becomes more difficult for a country like India in the context of its being a secular country, with 4-5 major religions, hundreds of ethnic groups, 15 main and many other languages and dialects, contrast of some very rich people and the biggest group of people living under poverty line in the world. Nevertheless, Indians have taken to democracy and politics as a fish to water. At the last general elections for the central parliament there were more than 1500 candidates for 530 seats, there are 7 national and 40 state level registered and 730 unrecognized, registered political parties published by the Election Commission in 2005. Thirty-five years after independence the Congress Party, and soon thereafter the opposition party Bharatiya Janata Party, lost their hold over the electorate. Since then the country has seen now two successful Coalition Governments of NDA and UPA with, one of the two major parties forming the government with the help of number of regional (state) parties and independent candidates represented in the Lok Sabha. In India the Communist Party was recognized as the Opposition party in the First Lok Sabha, though now it is split into CPI (M) and CPI, their appeal to voters has been restricted to the States of Kerala and the West Bengal. They have

functioned all along within the constitutional and legal framework. They participated also in the Congress led Coalition Government of the UPA, but towards the end withdrew their support. In India all political parties need recognition by the Election Commission and all candidates have to provide in advance a statement of their assets and take an oath of holding up the Constitution and in particular the secular nature of the country.

- 8.2 Political Leverage of India as a Democracy:** Most global powers and other countries also, hold India in awe, and its moral leverage vis-à-vis other countries, particularly other developing countries, is high. Often the Indian Election Commission is invited by some of the African countries to help them in holding elections there. The Constituent Assembly of South Africa looked extensively at India's Constitution and process of making it. Like parliaments of many Western countries, parliamentary debates are televised; there is a fierce reporting and commenting on parliament's handling of important, sensitive issues like terrorism, nuclear power deals, and/or major lapses by state institutions, etc. The recent act of Right to Information (RTI) has put all government institutions and political leaders on their toes. It is gratifying to note that in the present Cabinet, Prime Minister Manmohan Singh has not allowed anyone with a criminal record to join the Council of Ministers. Although, Indian legislation does not require any specific educational qualification for a candidate, it is heartening to note that the proportion of matriculates and higher educated has increased visibly in the 15<sup>th</sup> Lok Sabha, so also representation of women and youth. Although, there are still some lingering problems of governance, particularly at the local level, but there is nothing which takes away the mature nature of its democracy. In this context it is important to note that someone who wishes to join the club of global powers, need to conform to the highest demands of governance for a global leader. Failure to do so stood against the OECD membership of some South East Asian countries. Already some prominent Indian political leaders have become global icons like Jawaharlal Nehru, Mahatma Gandhi, Indira Gandhi, etc.
- 9. Military Power of India:** Even during the colonial period the Indian Army played an important role in the Second World War in the European war theater. Right from the independence, India provided and observed meticulously the subordination of military to civilian leadership, and it goes to the credit of the Indian military establishment that they have also observed it very meticulously, participated extensively in India's development process, and extended help in the national calamities. In all its history, India never tried to add any territory by external conquest. In general, it follows Mahatma Gandhi's message of *non-violence* and moral protest. However, it has been compelled by some of its neighbours, and the changing world order to develop its defense against invaders from outside the border (this has happened a few times since independence) and changing international scene. Today, probably India has the third or fourth largest military power, next to US, Russia and China. It is one of the 7 space powers, and also one of the countries with nuclear weapons (Chellany, 1999). As regards the nuclear weapons, India on its own accord, announced that "It is not a first strike country". Besides that, the use of its army outside its borders, this has been mostly

on United Nations Peace Force Missions in some of the warring countries. In view of the considerable increase in the defense expenditure and acquisition of modern cannons, fighters, frigates and submarines by its neighbours, and the increasing threat of terrorism from air and water, in addition to land, India is strengthening its preventive power. All global powers at present recognize the crucial and strategic role which India can play in preventing regional and, if need be, also global military confrontations. It is in this context that India's membership of Security Council is justified.

**10. India's Soft Power:** What distinguishes India's claim to global leadership is its unique, unobtrusive, persuasive "soft power". Steven Cohen calls it "Reputational Power". This word was coined by Professor Nye of Harvard University, which refers to not really "power" or "authority" but an "influence" over other people, their behaviour, habits, tastes, way of life. He defines it as "the ability to get what you want through *attraction* rather than coercion or payments" (Joseph Nye, 2004, p. x). Further "Soft power" rests on the ability to shape the preferences of others (p.5). In the context of globalization, Nye identifies three main sources of soft power of a country, namely its culture, its political values, and its foreign policies. All Major Global Powers also score higher on soft power and Nye includes both India and China also with considerable potential soft power, with a higher probability of success for India due to its grand democratic experiment. You do not see it, you cannot ascribe it to any specific source, a person or an institution but it is a sum total of how other people see India as an ancient society with world wisdom, tolerance and moral authority derived from its culture, history and its world view. In his path breaking book *TRIBES : How Race, Religion, and Identity Determine Success in the New Global Economy*(1993), Joel Kotkin includes Indians and Chinese, along with Anglo-Saxons, Jews and Russians, which have shown attributes of *becoming global force*. Indians living abroad are considered by some people as "*real global citizens*". Since the days of Swami Vivekanand who mesmerized the American people with his message of peace, tolerance and personal development, there has been a lot of proliferation of various Indian institutions abroad.

**10.1 Public Diplomacy:** The concept of *Public Diplomacy* follows from the concept of soft power. International politics is competition in credibility in which every nation tries to project an attractive image to others through information, diplomatic representations and other means. However, there are often limitations to these and hence the need for other cultural, educational, recreational, unobtrusive means for image building and image projection abroad. Striking examples are institutions of world fame and global icons, such as *Fulbright Fellowship, Hollywood, Bollywood, CNN, BBC, Oxford, Harvard, Yoga, Kungfu, Hamburger, Pizza, French Campaign and Scotch Whisky, Shaharukh Khan, Ben Aflek, Aishwarya Rai, Kate Winston, etc.* Realizing the potential of *public diplomacy as a strong supplement to diplomatic means*, the State Department of US has a special Division of Public Diplomacy. Nye and some others also see a big and effective role for non-state actors and Diasporas in exercise of public diplomacy (Steven Vertovec, 2005). In this regard note this comment from Shashi Tharoor: "*The most important asset for India in Afghanistan does not come out of*

*our diplomacy but from one simple fact: Don't try to telephone an Afghan at 8.30 in the evening when Indian opera "Kyunki Saas Kabhi Bahu Thi" dubbed into Dari, is telecast on Tolo TV, and no one wishes to miss it.*" (Times of India, 28 Jan. 2009). It is in this context that countries with sizable Diaspora have started looking at their potential, not merely for much needed remittances but more importantly as a partner in development in a comprehensive sense.

- 11. Religion:** Many westerners find Hindu religion a very open, peaceful and a faith tolerant of other religions. Unlike in Judaism, Christianity and Islam, there is no *One God* and no *One authoritative institution* like Church; Hindus can believe in any One of the thousands of gods. Increasingly the ritual part is getting reduced and the morals, principles part is increasing. What appeals to foreigners is that Indian temples are open to all, even to the followers of other faiths, and Hinduism basically does not encourage conversion. Some state that the only secular religion is Hinduism. There are different groups and cults in Indian religion and some of them have their presence in other countries also. Famous among them are Ramakrishna Missions, Arya Samaj and Sanathan Dharm Temples, Gurudwaras in countries like USA, UK, South Africa, Canada, Caribbean, etc. Some of the male and female Gurus who regularly visited countries abroad for lectures are: Rajnish, Swami Ramdas, Sri Sri Ravi Shankar, Guru Ma, Nirmala Devi, etc. The emphasis of most of these visitors abroad is on spiritualism, rather than on religion *per se*, on yoga, vegetarian food, meditation, mental peace. These unobtrusive messages appeal to a large number of young and old people in the West who find it a good respite from the daily work, family and health worries, inability to concentrate, etc. Recently in an article in Newsweek (Aug. 24-31 2009) entitled "We Are All Hindus", American writer Lisa Miller states: "A million plus Hindus live in the United States, a fraction of the billion who live on earth. But recent poll data show that conceptually, at least, we are slowly becoming more like Hindus and less like traditional Christians in the ways we think about God, our selves, each other, and eternity. In support, she further states that "thirty percent of Americans call themselves 'spiritual', not 'religious', and "more than a third of Americans now choose cremation".
- 12. Yoga:** Interest in the Indian Yoga system of mental and physical development is increasing all over the world. Training institutes/centres for Yoga are to be seen in almost all countries of Europe, in United States, many nations of South America, in Africa, as well as in Australia. A large number of ordinary people as well as highly accomplished elites have adopted Yoga routines in their lives. Many people visit India to attend well known institutions of Yoga to gain peace of mind, putting body in shape and learn how to meditate and concentrate one's mind power. The emphasis in genuine Yoga training is on "spirituality" and not on religion. Hence, followers of Yoga are from different religions. In the West some of the leading politicians, film stars, industrialists, musicians, physicians, follow Yoga. It is entirely individual, non-violent and least costly system of physical fitness. Association with Yoga leads to discovering more dimensions of Indian society and culture, politics, music.
- 13. Bollywood:** Indian films and increasingly Indian TV serials are getting popular in many countries in Europe, Africa, Middle East and USA. Indian Film industry

with its main centre in Mumbai (Bombay) is very old. Films were screened in Mumbai since July, 1895. Today India produces more than 1,000 films in Hindi and other languages, *per annum*, more than what Hollywood does. For Indians, wherever they are, in India or abroad, Indian films are the most popular means of entertainment. In many Middle Eastern and African countries, Indian films are dubbed or shown with local language under titles. Indian male and female film stars like Amitabh Bachhan, Shahrukh Khan, Hritik Roshan, Amir Khan, Aishwarya Rai, Shilpa Shetty, Shabana Azmi, are invited as judges or as prominent guests at international film festivals. Recognizing the important role which the film media in general and some of its icons play in projecting India abroad, some of them like Amitabh Bachhan, Shahrukh Khan, are bestowed honorary doctorates by well known European/American universities. In addition to providing employment to a large number of people in India and contributing significantly to export earnings, Indian films have become also a representation of modern India, its joys, sorrows and social problems. Increasingly, there is a trend to make some Indian films in English language for both internal and external market. Many show business people in Europe and Hollywood have started investing in Indian films and TV Serials. Selection of the film *Slumdog Millionaire*, and grant of many Oscars to it including for the best fusion music by A.R. Rahman, finally recognized the hidden, *soft power* of Bollywood.

- 14. Indian Fashions:** Interest in Indian clothing, textiles and fashions is not new. Even in 50s and 60s, *Nehru Sherwani* became quite popular in Europe and America, many European tourists visiting India got for themselves male and female office suits, silk garments and delicately embroidered clothing, made. Some of the Indian fashion designers set up their stores in Paris, London, New York, Dubai and/or Abu Dhabi. Many famous Hollywood personalities wear dresses made by Indian designers at their marriage, at Oscar and other events. Some of the Indian Diaspora members in Europe have also popularized their designs like the House of Mexx. A recent special issue of Time on “Fashion’s New Attitude” (April 2009) hinted at more demand in luxury market for African and Asian designs and materials to sustain economic downturn. At the level of general population also, the Indian *Pashmina* Shawls and richly embroidered male long shirts are becoming popular. Also selection of a relatively large number of Indian beauties as “Miss Universe” or “Miss World” etc in international competitions, is another example of the brand India products. (Rangnekar, 2005).
- 15. Indian Cuisine:** The way to the heart of people is through their stomach, they say! Indian cuisine, both vegetarian and non-vegetarian is becoming popular very fast. The “*curry appeal*” is irresistible. Number of Indian restaurants in major cities of Europe is increasing rapidly accounting for employment of a large number of people, considerable import of Indian grains, lentils, condiments and other ingredients from India. Many social, economic and political elites in Europe are often seen at some of the posh Indian restaurants along with their families. It is not a surprise that “*Chicken Tikka Masala*” has become Britain’s main dish. Many Indian restaurants display paintings by famous Indian artists and often the guests are treated to a display of Indian music and dance. Recently, a

famous “Kabab” specialist in London has announced a franchise for his recipe, (Mc Donald be aware!). In America not only that they have monopolized the Motels and Donut chains, but now a *Dosa-Idli* Franchise can also be seen in some cities of USA. If pizza has already replaced Hamburger as the most popular global dish, can *Masala Dosa* be far behind!

- 16. Indian Music:** Both Indian Classical and Pop Music is becoming very popular in Europe, America and night clubs in some African, Middle Eastern countries. *Ravi Shanker's* Sitar music is very popular in America, there is also a big following in America and Europe for Zakir Hussain's percussion themes; for Bhangra Music, Rythem and Dance. Increasingly the Indian film artists' shows and music concerts are attended by many non-Indians. At music and dance schools run by Indian artists for members of local Indian community, increasingly children and youth from other communities can also be seen.
- 17. Indian literature:** Knowledge and command over English language have given Indians a head start *vis-a-vis* other immigrant groups in America and Europe. Both in England and USA, Indian correspondents of influential newspapers and periodicals like New York Times, Time Magazine, are prominent, and also anchors of CNN, BBC News Service. A relatively large number of Indian writers, who have received the Man Booker and Pulitzer Prizes, has also, added to the many facets of increasing appeal to India at international level. Indian media is among the oldest in the world also. Indian media started in 1780 and radio broadcasting in 1927. As of 2007, 79 million copies of newspapers are circulated daily. India is the second largest newspaper market in the world. In 2008, India had 60,000,000 internet users, and the country ranks 8<sup>th</sup> in the world by number of TV stations.
- 18. Conclusion:** In 62 years after Independence, India has made tremendous progress in all most all sectors of the society. In comparison to its immediate neighbours and most other developing countries, India has already established itself as a worthwhile member of the Global Community.

## Part II

### India emerging as a Global Power: Role of Indian Diaspora

- 19. 1** Stephen Cohen in his book *Emerging Power India*, pays a glowing tribute to Indian Diaspora in USA, in effective lobbying for India and in improving considerably the dialogue and discussion on India in US political institutions. Of course Indian Diaspora in US is not only 2 million strong but also consisting of highly educated and experienced professionals. This is also applicable to Indian Diaspora in England, Australia, Canada (and all other countries with English language at the local levels). That in other countries, despite language and other problems, has equally been active in improving image of India at popular level, making relations between the host country and India more diverse and fruitful, and contributing to India's development through different channels. However, as stated in the introduction, the potential scope of Indian Diaspora's contribution,

particularly in India becoming a Global Power can be considerable, but a very little of this potential is being used at present. The Indian Diaspora are very appreciative of a number of diverse activities which the Ministry of Overseas Indian Affairs (MOIA) has undertaken since its creation , such as bringing together members of world-wide community of NRIs/PIOs once a year in India at the *Pravasi Bharatiya Divas* and also now in countries abroad where there is a greater concentration of them (America, Singapore and now Europe – the Netherlands), creation of an Insurance Programme for Indians working in the Gulf countries, publication of a periodical on Diaspora Affairs, setting up of India Development Fund, creation of Data base for Overseas Indians, a Facilitation Centre in New Delhi, etc. We also appreciate Government of India’s facilities and incentives for investment, introduction of PIO card, grant of Overseas Citizenship, announcement by the Prime Minister of the grant of voting rights to NRIs and setting up a High Level Advisory Committee of NRIs/PIOs to advice him on important Diaspora policy issues.

**19.2 Indian Diaspora in Europe:** The size and variety of Indian Diaspora in Europe is increasing fast. Today, there are more than 2 million of them, spread over 18 countries. On the one hand there is the old Diaspora group of 1.6 million in the UK where the Diaspora members have achieved great success in all sectors of the of the country; on the other hand there are also small groups of few thousands in countries like Finland, Italy, Spain and Poland, where due to recent arrivals and language difficulties, achievements have been relatively limited. However, amongst them are senior politicians, leading entrepreneurs, scientists, doctors, academics, attorneys and lawyers, skilled workers, religious and spiritual leaders, community leaders, media specialists, etc. Their past performance through remittances, transfer of resources, technology, promotion of Indian exports, contributions to charitable establishments, support to small projects through NGOs, etc., is no less than that of Diaspora from other regions. Also, the future scope for their contribution is tremendous, provided some institutional measures are undertaken to bring them together and pool their sources.

**19.3 Potential Contribution of European Indian Diaspora:**

*“Remittances are not the only instrument of Diaspora contribution. They can be a major source of Direct Foreign Investment (FDI), market development (outsourcing), technology transfer, philanthropy, tourism, political contributions and more tangible flows of knowledge, new attitudes and cultural influence.”* (Kathleen Newland, “Beyond Remittances: The Role of Diaspora in Poverty Reduction in Countries of Their Origin”, *Migration Policy Institute, Washington, July 2004*). There is no up-to-date estimate of Indian Diaspora resources but an estimate in 2000 stated that “The economic output of NRIs/PIOs was estimated US \$400 billion, almost the same as total GDP of India.” Today’s estimate may be US \$600 billion. As Pavan Verma observes, *“Indian Diaspora in USA has emerged as that country’s richest immigrant community, with nearly 200,000 millionaires”*, (2004, p.200).

At the international level also, there is a trend now for *social remittances* connoting *Diaspora contributions in wider fields of health, education,*

*environment energy, municipal management, traffic management, etc.* Canadian Indian Diaspora also emphasize the need for “diasporic transition to a Cultural force and “establishing Indian Heritage in Global Space” (Sushma Verma and Radhika Seshan, 2003).

Recently, there have been some country wise and comparative studies of different Diasporas, specially in the context of their contribution to the development of motherland, by World Bank (*Role of Diaspora Networks as Development Springboards*), social science teachers and researchers and Special Commissions set up by the mother countries. Probably Diaspora can also play a role to fight the present global economic downturn (Sunil Prasad “Indian Diaspora can help India fight the global economic downturn”; June 5, 2009 address to GOPIO Meet, Brussels, July 7 2009). Recently, there has been considerable rethinking world wide, about widening the contribution of Diasporas in development. In most comparative studies, India and China are singled out for country comparisons but otherwise Diaspora policies of other countries like Mexico (more than 5 million Mexicans in USA), Philippines, Nigeria, East European countries (like Poland and Slovenia), Bangladesh, etc. are also examined in this context. Although the main focus in all of them in the beginning has been on regular remittances to motherland which often are not sent through official channels, they end in conspicuous consumption, on housing by the families of Diaspora, and the impact of remittances, though very high in amount (total remittances by Indian Diaspora more than US \$6 billion) on development is limited. As a result, World Bank and some of the donors started thinking of ways and means of involving the Diasporas more substantively in the development process of their countries, through their involvement in the planning and implementation of various projects. Mexico organized City Oriented Groups of Diaspora in US and other countries who hailed from a particular city or a region. Some countries associated Diaspora of a particular country to accompany the Head of State or other important political leaders, on official visits to countries of their origin (During President Clinton’s visit to India, there were quite a few Indian Diaspora members accompanying him), development assistance ministries/agencies used the Diaspora on some of the major projects in their countries), well known NGOs also used them as consultants, and also to seek financial support. Based on some of these experiments and ideas, an analysis of the Indian Diaspora, its strengths and weaknesses, and the ways and means in which their involvement can be increased, are given below:

## **20. Suggestions and recommendations:**

### **(i) Diaspora Advisory Committees for crucial Ministries in Delhi/States.**

We think for greater involvement of Indian Diaspora in different economic sectors and in different parts of India, *Advisory Committees in crucial Central Ministries such as Foreign Affairs, Education, Health, Water Development, Law, Science and Technology, and agencies like Planning Commission should be established to which specific individuals can be appointed in consultation with the*

*local Indian Embassy. Also, on the pattern of the Prime Minister's Advisory Committee at the Centre, in the states also a Diaspora Advisory Committee to Chief Minister, with substantive number of Diaspora abroad as members should be appointed. Procedural, financial and other aspects can be worked out later.*

**(ii) Diaspora Councils abroad in countries with greater Diaspora presence:**

At the Pravasi Bharatiya Divas, in January 2009, Former Ambassador of India to Canada and at present permanent resident of that country, Mr. Kant K. Bhargava, made a suggestion to set up Diaspora Councils whose main objective will be “to facilitate sustained and tangible progress in India’s relationships with host countries that will lead to mutual benefits. Through it, the Diaspora can play its dual role of advisory and advocacy”. Another role which they can perform is to optimize their potential to build bridges between India and various regions in the world. One example of such a body is that of the *American Council*. Care should be taken to have representation of different professional fields, women, and regions of India in its membership. Such Diaspora councils can initially be established on an experimental basis in countries like the Netherlands, Spain, Sweden, Switzerland with a dynamic chairperson. Setting up of a Country or Region Internet Network of Diaspora, will be helpful in virtual interaction.

**(iii) Increased foreign direct investment by Indian Diaspora**

Often comparison is made by researchers and others between Indian and Chinese Diasporas and surprise is expressed why foreign direct investment by Indian Diasporas is merely 5% of FDI, whereas that of Chinese is much greater both in percentage and the absolute amount. Our view is that this is not due to lack of potential of Indian Diaspora, which is quite great. Though, it is difficult to estimate investible funds of Indian Diaspora, many Indian entrepreneurs have invested in other countries extensively, and there is no reason, given the necessary climate and opportunities they would also invest much more than the present situation. Some of the barriers which deter other foreign investors may also be the factors why Diaspora entrepreneurs are not coming forward. Other reasons why comparison with China is not realistic is that China started process of economic liberalization two decades earlier than India, China has a large and wealthy Diaspora in neighbouring countries who, taking advantage of liberalization, invested heavily in small, medium and even heavy industries in China, Chinese Government provided representation to the Diaspora in its parliament where they could safeguard their interests. In comparison Indian Diaspora consists of all categories but a large number, specially in Gulf countries are workers and lower/middle level service personnel. However, Diaspora in America, Canada, Europe are different with a large number of professionals (doctors, engineers, scientists, international finance, marketing experts, academics) with high salaries and their wealth is substantial. One indirect measure of this is the fact in the USA, that for financial

support to the Presidential candidates of both the Republican and Democratic parties, not the first, but the second group of financial supports are American Indians! India need not have an inferiority complex. Most Diaspora owned business enterprises of China are from neighbouring countries, Malaysia, Indonesia, Thailand, whereas Indians have managed to set up a number of firms in the most cutting edge, knowledge based industries (software, Infosys, Wipro, and in pharmaceuticals and biotechnology, Ranbaxy and Dr. Reddy's Labs). In 2002, World Rankings of Forbes 200, (an annual ranking of the world's best small companies) included 13 Indian firms, but just 4 from mainland China. China has suppressed its own private sector and boosted its big public enterprises. But China has been bolder with external reforms (Huang and Khanna, 2003). On a long term perspective also, Indian growth can be sustained on personal consumption which is 67% of GDP, only US is higher with 70%, but China's is only 42%.

**(iv) Increased Diaspora involvement with the Ministry of Finance and India Investment Centres abroad:**

It will help in analyzing the reasons why more FDI investment is not forthcoming. Also, Indian entrepreneurs/investors could be consulted in the process of privatization of public enterprises. So far, Govt. of India's interest has been mostly on bulky, major investments in new or existing enterprises. An interesting lesson from China is that initially, the Chinese Govt. allowed Diaspora investments in small local level activities for which decision-making was decentralized to local governments.

**(v) Diaspora Involvement in some major problem areas of India:**

The high level knowledge, technical expertise and practical experience of many members of Indian Diaspora can be useful to India in some priority sectors/problem areas *such as Energy, urban infrastructure(mega projects), water development and poverty alleviation programmes.*

We would like to suggest that to start with this may be done in two sectors/areas, namely ***energy and poverty alleviation***. In both these areas already there are national and state plans but the Indian Diaspora should be given a chance to make a visible contribution to this, based on their experience in other countries, their familiarity with the Indian scene, and innovation and creativity which comes with different experiences. This can take shape *by Diaspora in a specific country selects itself or GOI allocates to them a sector and a region where they can visibly show their value added. For example, the Diaspora in England and France may be allocated Energy Sector in UP/Bihar, those in the Netherlands, Switzerland, may be allocated Poverty Alleviation in Maharashtra, Gujarat.*

**(vi) Major Diaspora Associations for Big Cities:**

Based on what has been a big success in Mexico, City Associations of Diaspora for big cities like Mumbai, Bangalore, Chennai, Lucknow, Amritsar, Kanpur, Ahmedabad, Srinagar, Gauhati, etc. should be encouraged to mobilize their financial, intellectual and professional resources for betterment of their metropolis. One can identify with his city/town much more than the entire state/region. Also, problems of coordination with local authorities are simplified and visible results can be seen in a short time in areas like reduction of traffic accidents, improvement of environmental hygiene, improvement of water supply, safety on roads, etc.

**(vii) Utilization of expert advice and experience of retired members of NRI/PIO community:**

The number of retired members of the community is increasing in most countries of Europe. Many of them have higher qualifications, and considerable international experience in areas vital to India's economic and social development. Many of them are in good health and able to spend longer periods of time on improvement of specific policies, work on projects, render consultancy advice, provide on the spot training in new techniques or in ways of doing things. This happens now but on a very small scale and not in a institutionalized way. Here in the Netherlands, the Dutch Government has created a special organization "PUM", which makes available to developing countries Dutch retired experts at a very small cost. A similar organization can be created in MOIA to tap this vast reservoir of knowledge and experience at a nominal cost. Data base for this can be created by Indian Diaspora organizations in different countries and made available to MOIA.

**(viii) More visible involvement of Indian Diaspora in the planning and Development process in the country:**

We think to leverage the Diaspora factor effectively, it is *desirable to make their involvement more regular and visible*. To this effect, following suggestions are made:

- (i) **A separate chapter in the Five Year Plans of India and the states on contributions of Diaspora in different sectors through government, private and voluntary organizations**
- (ii) **Where relevant appointment of Diaspora experts as advisory members of high level committees/commissions established by the Government of India/States**

### **(ix) Representation of NRI/PIO Community in legislature:**

Foundation had already in 1980s made specific proposals to appoint some representatives of the community in *Lok Sabha and Rajya Sabha to deepen their involvement and commitment (FCCI : A Quarter Century of Service to India, 2008)*. Mexico is leader in “Diaspora option” and provides representation to them in the national legislature. Both the PRC and Taiwan have representation of their Diaspora in their national legislatures. Some of the East European countries have also followed this practice. Croatia has allotted 12 out of 120 seats to overseas Croats, more than those allocated to other ethnic minorities, so also has Armenia.

### **References consulted:**

1. Amartya Sen, *The Argumentative Indian : Writings on Indian Culture, History and Identity*, Penguin Books, 2005 (Chap. 4 “Diaspora and the World, pp. 73-86).
2. Arvind Panigaria, *India the Emerging Giant*, Oxford University Press, New York, 2008.
3. “Bridge Builders”, *The Broker*, 14 June 2009, p.31
4. “Can India fly?” *The Economist*, June 3, 2006.
5. Carlos Gonzalez Gatierez, *Fostering Identities : Mexico’s relations with Diaspora*, ([www.ikndiana.edu/injah/mexico/c.gutierrez.html](http://www.ikndiana.edu/injah/mexico/c.gutierrez.html))
6. *Diaspora : A Journal of Transnational Studies*, New York, USA.
7. “Fashion’s New Attitude”, *TIME*, April 2009.
8. *Foundation for Critical Choices for India : A Quarter Century of Service to India*, FCCI, The Netherlands, 2008.
9. Gene Sharp, *Social Power and Political Freedom*, Extending Horizon Books, Boston, 1980.
10. Gurucharan Das, *India Unbound*, Penguin Books, London, 2002.
11. Harold L. Sirkin, “Global Competitiveness : New World Disorder”, *TIME* October 27, 2008.
12. Huang Yashang, Tarun Khanna, “Can India Overtake China?”, *Foreign Policy*, July-August, 2003.
13. *INDIA TODAY (International)*, *Transforming India : Great Ideas, Great Minds*, October 6, 2008.
14. “India’s Growing Power Makes it a Global Player : Top US Admiral”, *Times of India*, 10 July 2009.
15. “India To Surge As A Great Power : Pentagon”, *Press Trust of India Report*, 4 February. 2009.
16. Jennifer M. Brinkhoff, *Diasporas, Skills, Transfer, and Remittances : Evolving Perceptions and Potential, Promoting Knowledge Exchange Through Diaspora Networks*, 22.05.08 (<http://cc.mnscache.com>)
17. Joseph N. Nye, Jr. *Soft Power : The Means to success in World Politics*, Public Affairs, New York, 2004.

18. Joel Kotkin. Tribes: How Race, Religion and Identity Determine Success in the New Global Economy, Random House, N.York, 1993.
19. Kant K. Bhargava, Reflections, on “The Diaspora Factor and India’s Emergence as a Global Power, Centre for the Study of Democracy, Queen’s University , Kingston, Canada, January 1, 2009.
- 20 Kathleen Newland, Beyond Remittances : The Role of Diaspora in Poverty Reduction in their countries of origin, Migration Policy Institute, Washington, USA, July 2004.
21. K. Kesavapany, A. Mani, P. Ramaswamy (eds), Rising India and Indian Communities in East Asia, ISEAS Publishing, Institute of South East Asian Studies, Singapore, 2009.
22. Lisa Miller, “We Are All Hindus”, NEWSWEEK, Aug.24, 31, 2009.
23. Mahubani, K, “Future of India”, Lecture delivered at Centre for Advanced Study of India, University of Penn. NY City, Nov. 3, 2006.
- 24.Pavan K. Verma, Being Indian, : The truth about why 21<sup>st</sup> century will be India’s, Penguin, London, 2004.
- 25.Shashi Tharoor, “Making the Most of India’s Soft Power”, Times of India. January 28, 2007.
- 26 Steven P. Cohen, Emerging India, Brookings Institution, Washington, 2001.
- 27.Steven Vertovec, The Political Importance of Diasporas, Migration Fundamentals, University of Oxford, June 2005.
- 28.Sumit Ganguly, India as an Emerging Power, Frank Cass, 2003.
29. Sunil Prasad, Indian Diaspora Can Help India fight the global economic downturn, Address to Global Organization of People of Indian Origin (GOPIO), Brussels, Jun3 5, 2009.
30. Sushma J.Verma, Radhika Seshan, Fractal Identity : The Indian Diaspora in Canada, , New Delhi, Rawat, 2003.
31. “Surinamers in Diaspora willen ontwikkeling meebepalen” (Surinamese Diaspora will like to jointly decide on development issues”, DREAMNEWZ, June 2009 (in Dutch).
32. Thomas L. Friedman, The World is Flat : The Globalized World in the Twenty-First Century, Penguin, London, 2005.
- 33.“The World’s 100 Most Influential People”, TIME May 11, 2009.
- 34 Trubinikov, Vyachaslav, Ambassador of Russian Federation in India: “India is now emerging as a global power”,

-----

Prepared by Dr. Vasant Moharir for Foundation for Critical Choices For India, the Netherlands.