

Plenary Session III

January 10, 2004

Theme - Globalization, Indian Economy and the Diaspora



Prof. Lord Meghnad Desai, Former Director, Centre for the study of Global Governance, LSE, UK with other panelists on the dais

Highlights

- Indian economy is on an upswing, with growth rates expected to be around 7% with an upward bias, agriculture has bounced back, manufacturing is showing signs of revival and the performance of the services sector has been satisfactory.
- India has undergone both internal and external liberalization. In terms of internal liberalization we have dismantled the permanent license raj and unleashed the spirit of entrepreneurship. On the external liberalization front, we are aligning our prices to the global levels and leveraging our competitive advantages to make our mark in the world.
- It is necessary to have confidence to invest in India, which the Diaspora can have more than the foreigners, India being their ancestral land.
- Return on foreign investment in India is at present one of the highest in the world.
- The Indian Diaspora consists mainly of professionals, who should come and execute their ideas in India.

- Reforms were initiated in China at least a decade earlier than in India. Indian reforms process is constrained by the democratic process. India has become a happening place for investments. India realizes that ASEAN and the Far-East Asia could be the largest trading bloc by 2020 and is accordingly making efforts to increase its economic interaction with these regions.
- India has developed strong aspirations for playing a major role in the world polity. The Indian Diaspora should help in managing the Indian aspirations in the global stage and increasingly invest in India. The Diaspora could make use of the great managerial prowess and the tremendous manpower available in the country. We need to convert India from an agriculture state to a food state.
- India's slow and steady liberalization process has shielded the economy. Sometimes we are our biggest critics but improvements in the following are desirable. These include the red tape, multiple approvals required for investments and the lack of clarity on the exit policy for investments.
- The success of the Indian Diaspora can be easily gauged from the number of highly successful Indian venture capitalists in the Silicon Valley. The Diaspora can contribute immensely to the Indian economy by providing it the intellectual capital. India can become world's technology lab with their help.
- India needs to accomplish in service areas like banking, insurance, education, healthcare and inward tourism. India needs to evaluate the strategies necessary to create partnerships with the Diaspora. The feeling of being Indian is deep rooted in the Indian Diaspora. They need to be guided, directed and recognized so as to foster a mutual trust.



Prof. Lord Meghnad Desai

"Post-liberalization a consensual economic reforms package has been formulated and this has led to India becoming a truly globalized economy."