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INDIA IN THE GLOBALISED WORLD:

WHICH WAY NOW?

The Indian Diaspora: Exploring its Relations with India's Domestic Economy

- DISHA RAWAL

The Gujaratis in the Gulf, the Punjabis in Canada, the South Indians in US - these are just a few of the highly talked about communities of Non Resident Indians, or NRIs who are scattered all across the world. **Together they form the world's largest diaspora community.** The money they send back to the motherland also makes India the world's largest recipient of remittances.

These remittances, coming from

numbers that make up to **1% of India's population**, are equal in amount to **3% of India's GDP**. No wonder they are crucial to us - one only needs to think of what happened to the Indian economy when remittance flows halted during the Gulf War.

In some fringe cases, it has been used negatively also - like for funding the Khalistan movement. This unique population base has immense potential. India has a massive favorable interest differential.

We offer about 6%, while interest rates in the western world are close to zero. Indians abroad can be induced to invest in India. Indians located abroad are also highly skilled - they are professors, CEOs and technocrats. There are a lot of possible academic and business partnerships that can sprout from this.



Work on this has already started. The Modi government has been proactive in securing NRI support. There are now missions to help NRIs understand their country better, like the *Know India* series.

The **Pravasi Bharatiya Divas**, which is a gathering of NRIs, is being celebrated every year. The government is also awarding the

Pravasi Bharatiya Samman – the first of which was given to Gita Gopinath.

However, how these efforts will ultimately impact the economy remains to be seen.

Ensuring that we utilise this potential completely should be a big priority in India.

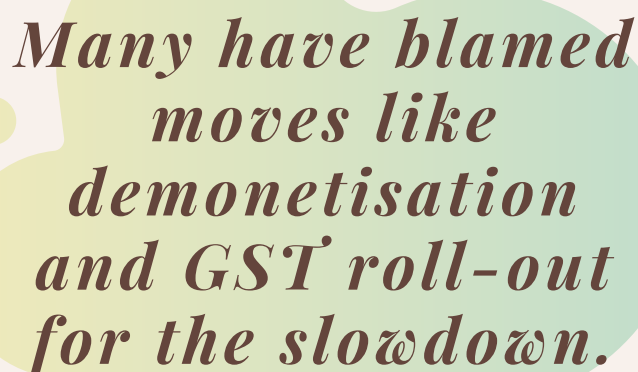


Tackling the Slowdown in 2020

- AVANTIKA BUNGA

It is common news that India is facing one of the harshest economic slowdown of the 2000s, the biggest after the Great Recession – proven by records and estimates of falling growth rates, and fall in consumption patterns.

The factors responsible for the slowdown are both of a cyclical nature, i.e. results of a normal business cycle, wherein all economies face periods of falling growth (but recover later); and of a structural nature as well, owing to poor long-term and short-term policies.

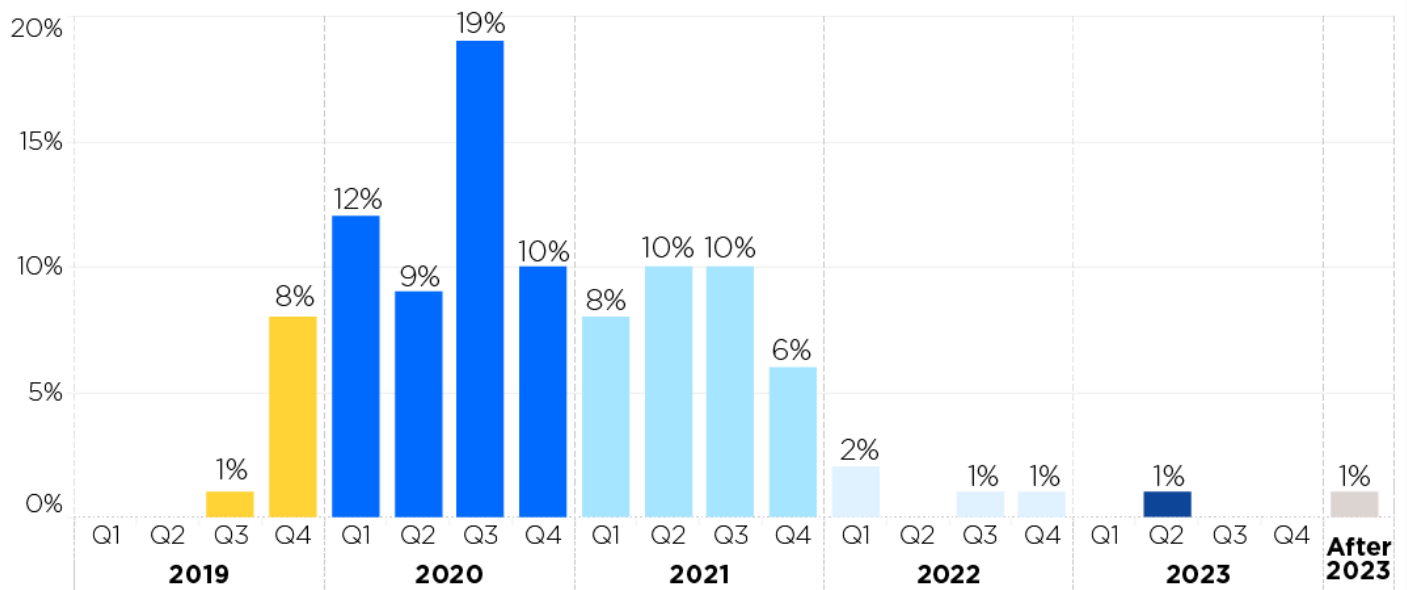


Many have blamed moves like demonetisation and GST roll-out for the slowdown.

The Finance Minister, Nirmala Sitharaman has stated that these are ‘teething problems’, but at this moment, it is difficult to ascertain, whether it is just merely that.

Experts: The next recession will likely begin in 2020

Share of panelists expecting the next recession to begin in a given quarter



Zillow Economic Research | Source: Zillow Home Price Expectations Survey, 2019 Q2

The reaction of the government to the slowdown has also been highly erratic. Instead of trying to revitalise demand (which is the prime culprit in this slowdown), it has offered **heavy corporate tax cuts and breaks**, which is not only a futile move to generate growth at this time, but may also **damage the already poor fiscal balance**.

India also pulled out from the **Regional Comprehensive Economic Partnership (RCEP)**, recently, stating that it would be harmful for indian producers. Considering the current terms of the deal, they may have been right, but one cannot deny the long-term importance of trade agreements.

The argument being given in favour of such moves is that

such steps would lead to greater growth and opportunities in the long run, which is true.

Therefore, it is essential to understand the probable causes of the slowdown, and then create a plan about how to recover.

In a nutshell, I believe that in the short term, the **government should focus more on the demand side**, i.e. strengthen direct benefit transfers to people, and temporarily subsidise basic necessities like food so that demand slowly starts rising again.

In the long term, it should focus more on **industry reform**, and **generate higher employment**. This too is a necessary precondition to sustainable growth, as greater employment would also translate to higher spending and investment.

The following reforms could have a favourable impact:

- Development of physical infrastructure like transportation and logistics

- Simpler laws and guidelines to start and expand businesses
- Giving higher benefits to firms that hire more labour (such as in the form of tax cuts, rebates and greater opportunities for expansion)
- Restriction on further reduction in corporate tax rates and bailout of firms

Such reforms could also lead to **greater national fiscal consolidation**, and the income collected and saved by the government could help **boost the economy in such times of duress**.

I believe that there is no doubt that India can overcome the slowdown, and set itself on a path to more inclusive and resilient growth.



India as a Leader in the Global Mission to Space

- SHREYA



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Indian Space Research

Organization (ISRO) is the crown jewel of India as it is as ambitious as SpaceX and Blue Origin, yet cost effective.

ISRO sent a lunar orbiter, **Chandrayaan-1**, on 22 October 2008, which discovered lunar water in the form of ice becoming the first country to do so, and the Mars Orbiter Mission which entered Mars orbit on 24 September 2014, which made India

the first nation to succeed on its maiden attempt to Mars, as well as become the first space agency in Asia to reach Mars orbit with a budget merely of 73 million USD.

Despite the budget constraint ISRO has emerged as a low cost space super power.

Furthermore, on 15 February 2017, ISRO launched **104 satellites in a single rocket** (PSLV-C37), a world record.

India's space program has immense utility in areas of **national security, weather predictions, exploration of resources**. The space program has helped India:

- Gain revenue for poverty alleviation schemes by developing the most cost effective satellite launch vehicles
- Improve rural connectivity
- Emerge as a mobile satellite service provider to private organisations, railways and other state owned transportation
- Launch an educational satellite improving rural adult literacy

We are full of confidence that when it comes to our space program, the best is yet to come.

- Narendra Modi
Prime Minister of India



Expansion of Indian Remote Sensing satellites have helped in environmental monitoring, analysing soil erosion and forest cover reduction, flood and drought monitoring and urban planning.

This indeed proves the vitality of ISRO and with the announcement of launch **Chandrayaan-3** in 2022, India's first manned Spaceflight Programme **Gaganyaan**, commencing on 2021 and the development of India's own **Space Station** by 2030, and a plethora of other operations proves the fact that India is indeed an emerging space superpower.

The Problem with TNCs

- ANANYA KALRA

A **transnational corporation (TNC)** is any enterprise that undertakes foreign direct investment, owns or controls income-gathering assets in more than one country, produces goods or services outside its country of origin, or engages in international production.

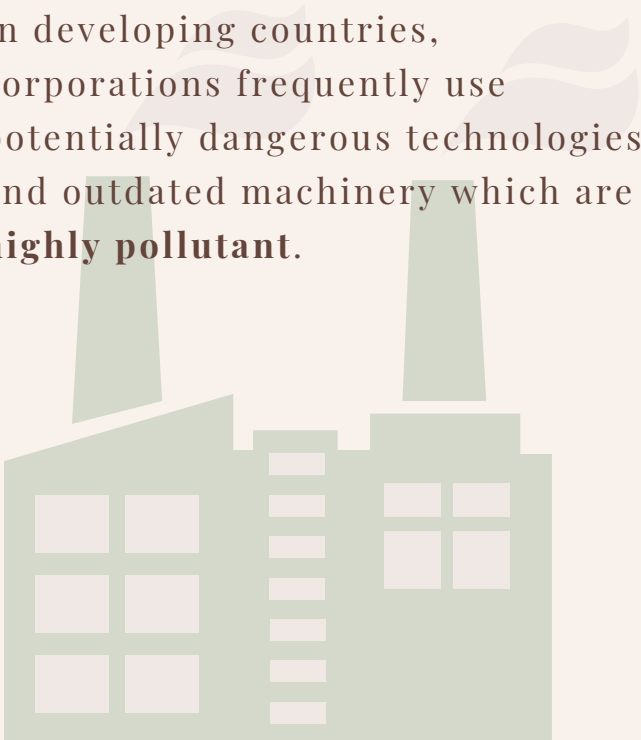
TNCs have certain responsibilities regarding environmental, human rights and labour rights protection, etc. However, many of these are reluctant to take measures to uphold these responsibilities because they are **driven by profit** or **suffer from a lack of will or means**.

In developing countries, corporations frequently use potentially dangerous technologies and outdated machinery which are **highly pollutant**.

For instance, in 1985, the Westinghouse Electric Corporation from USA sold a nuclear reactor to Philippines which did not meet the US safety standards. Some other industries cause soil degradation, deforestation, pollution of the atmosphere, contaminate water supplies and have a heavy impact on biodiversity as well.

TNCs have yet not been recognised as subjects of international law, despite their dominant presence in global relationship.

They have no legal standing in international courts. It is imperative that this changes soon, in order to create healthier business practices, and allow for sustainable development of all nations.



Can India be a Bloc Leader in South Asia?

- SHRADDHA TALWAR

A **bloc** is an **alliance** of a group of nations with common interests and a leader is responsible for the political and economic supervision of the bloc.

Tangible measures of power include **population, GDP, military size** as well as the **state of technology** available.

India enjoys natural leadership, by virtue of size, location, population, economy and future potential, in the **South Asian bloc**, which consists of seven nations — Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, which are also referred to as the **Indian Subcontinent** as a whole.

International relations unfold themselves in response to power wielded by nations in the bloc.





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To emerge as leader of the bloc, India must take into consideration not only its own interests but also reflect the common interests of the entire region in her policies.

Past evidence is suggestive of India's influence in the subcontinent. The most recent examples are of the **2016 surgical strikes** and **2019 airstrikes** by India in Pakistan, in order to combat terrorism in the area.

Military intervention by India not only crushed the **attempted coup on Maldives Island in 1998** but also played an instrumental role in the **1987 Sri Lankan civil war**.

Regional economic integration is of utmost importance for making South Asia the center for global growth.

India's predominant economic position makes her an anchor economy in the process of linking South and East Asia,

thereby forming an economic and trading bloc across Asia.

Indian leadership has potential for making South Asia the global hub for trade and commerce, and we can easily observe the steps being taken in that account to date.

The Reality Behind Indian Media's Soft Power

- SHREYA KHURANA, NEETIKA KANOJIYA

Soft power is the ability to attract and co-opt, rather than coerce (hard power). It is the ability to shape the preferences of others through appeal and attraction.

A defining feature of soft power is that it is **non-coercive**; the currency of soft power is culture, political values and foreign policies.

Recently, the term has also been used in changing and influencing social and public opinion through relatively less transparent channels and lobbying through powerful political and non-political organisations.

In the context of Indian media, **soft power has most recently played a major role in shaping public perceptions and opinions.** Whether it is the use of catchy slogans or portraying the most irrelevant news pieces, the mainstream news channels and social media has particularly been the harbingers of fake news.

In an era of fake news and low trust in the media, an enfeebled class of journalists could eventually lead to a weakening of the very democracy that defines modern India.

The signs have been obvious for very much at this point. In its first term, Modi's administration appeared to coexist with the malleable Indian media. In November 2016, when he recalled 86% of the nation's money to battle corruption, he said around then numerous powerful news sources neglected to pose essential inquiries.

By initially lauding what most economists called a damaging move and by buying the government line, **journalists helped spread the incorrect perception** that phony economics could fix big problems here.

Maybe the best case of how columnists have gotten familiar with not testing the administration is the way that Modi neglected to hold a solitary public interview in his first term in office. According to a recent letter by the Ministry of Information and Broadcasting, Modi ‘abstained’ the media from showing content that is **“against the maintenance of law and order or which promotes anti-national attitudes.”**

According to *Reporters Without Borders*, **India ranks 140 out of 180**

countries for press freedom, behind violence-ridden Afghanistan and South Sudan.

In every one of these cases, predominant press – particularly the nation's powerful TV news channels – worked to a great extent as government mouthpieces, with just a couple of exemptions.

Journalism needs to be open, to not only all sources of information, but also to criticism, and deep analysis of an issue.

It is only then that it can be a guard for democracy here.



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