



INDIA TEACHER RESOURCES

INDIA'S FUTURE

Vast Rural India Sparkles As an Expanding Market

About 72% of India's people live in rural areas. India's rural market has been seen as a market of opportunity because it has hardly suffered from the global slowdown. The rural economy depends highly on the monsoon rains and good harvesting, and, with the support of the government, the rural market may be an emerging economy within India. Although many companies are experiencing less sales, the rural sectors of India are undergoing a consumption boom. Despite rural India's growth, the slowdown in major cities caused many workers who were laid off to return to the villages. The people returning raise fear that the slowdown in the cities will catch up with the rural sectors of the country.

Lakshmi, Rama. "Vast Rural India Sparkles As an Expanding Market" [The Washington Post](#). 20 March 2009.

Market Ripe in India for Those Who Can Overcome Obstacles

India is a great place for Western entrepreneurs to invest in. The country provides businessmen with a domestic market, learned workforce, growing consumer market with lots of potential, and a democratic government. The biggest challenge for many is facing the poverty level in India. An American must become accustomed to poverty and Indian culture, which cannot be done through simply reading books and watching television. The second obstacle is finding a point of entry. Many successful Indian businesses are family-operated. Therefore, it is hard to get into the business world. American entrepreneurs may, however, find a way in by providing Indian businesses with one thing they lack: innovation. Many of Indian's problems may be solved by applying Western techniques to the issues India faces today (i.e. healthcare, transportation, energy, etc.).

Yates, John C. "Market Ripe in India for Those Who Can Overcome Obstacles" [The Atlanta Journal-Constitution](#). 15 March 2009.

Bridges to Somewhere

India relies little on exports when compared to its neighbors and "less than the overstretched economies of Eastern Europe on foreign capital." India, however, has not allocated its savings well. The global slowdown hit the economy hard. The banks receive much of the country's savings and has helped the economy to remain intact, but

compared to the thriving economy from past years, it is nothing. India's government is pumping money into public projects and introduced 3 stimulus packages. The government will spend an extra 200 billion rupees on building schools, roads, and other development needs. Although the material economy is slowing, India may be able to take advantage of it and catch up on the public developments necessary for the country.

"Bridges to Somewhere" Finance and Economics, The Economist. 7 March 2009.

India's Extended Family

India's ex-citizens, those who moved to other countries, had always been investing in their country; many did this by sending money back home to their families in the form of dollars, pounds, or francs. Until recently, India did not take interest in its ex-citizens. Today, however, India recognizes its diaspora as its "ambassadors" to the motherland. The ambassadors work for the benefit of the country by making financial and social progress between their current country of residence and India. India's diasporas have helped to better represent India and make the influence and importance of the country better known.

"India's Extended Family" Economist.com. 14 January 2009.

U.S. Influence is on the Decline, Report Says

This article provides a brief overview of a U.S. intelligence report titled "Global Trends 2025: A Transformed World." India is expected to be the world's second biggest economic hub by the year 2050, after China. U.S. intelligence agencies predicted that by the year 2050, the US will remain an economic and military power, but its position as a superpower nation will be much smaller compared to the estimated future influence of India and China. India and China will have more effect globally (mostly China, but India will strive to match China).

Miller, Greg. "U.S. Influence is on the Decline, Report Says," Los Angeles Times. 21 November 2008. < <http://www.latimes.com/news/nationworld/washingtondc/la-fg-intel21-2008nov21,0,239346.story>>.

What the Obama Victory means for India and Indian Business

The recent victory of President-Elect Barack Obama of the US has stirred the international community. The reason is because recent years have seen the US go from the most powerful economy and power in the world to one that is most impaired in terms of economy, power and prestige and reduced to becoming the largest borrower in the world. India Inc is one of the largest employers in the US. The biggest expectation for India from the new President is the reversal of the decline of the US economy. The new Presidency will hopefully rejuvenate the US and change the way US will do its business. Indian businesses can look to broad changes in the outsourcing structure—with more emphasis on on-shore projects and investments by Indian companies with tax and other incentives to encourage this.

Chandrasekhar, Rajeev. "What the Obama Victory means for India and Indian Business" FICCI in the News Room.

For India's Tech Titans, Growth Is Waning

India's information-technology sector is losing its drive. The companies turned a new leaf for India in the new millennium by showing India's economic and technological market growth. Competition with other companies and the decrease in the dollar value due to America's weakened economy combine to inflict profit loss to Indian IT companies. The companies are finding new ways and software to lift the companies' service and quality to keep clients. Spending even more money on training programs, hiring more software engineers, and creating new and innovative ideas are tools utilized to achieve a higher status as competitor. However, "India's wage inflation, currency appreciation and high labor turnover have also started pushing tech work to smaller competitors in Eastern Europe and the Philippines..." The first years of Indian influence on technology grew fast and is now steady somewhat.

Sheth, Niraj. "For India's Tech Titans, Growth Is Waning" The Wall Street Journal. 20 August 2008.

Cost-Cutting in New York, But a Boom in India

India's labor and economic markets are growing fast due to Wall Street losses. Major banks including Goldman Sachs, Morgan Stanley, J.P. Morgan, Credit Suisse and Citibank to name a few are exporting data intensive jobs from costly cities like New York, London, and Honk Kong to India. Bankers are being moved to India and Eastern Europe, because there are healthier local markets that exist there. The problem is due to the global credit weakness and billion-dollar charges from subprime crises. Banks are engaging in outsourced business functions in foreign countries, because it reduces labor expenses and to overcome strict regulations.

Timmons, Heather. "Cost-Cutting In New York, But a Boom In India" 12 August 2008.

WIPRO Signs Pact with WWF India for Ecological Sustainability

WIPRO, an Information Technology giant, signed an agreement with WWF India in hopes to collaborate and find solutions to IT drivers to reduce the amount of carbon emissions. Information Technology will be a leader in supporting environmental sustainability. The companies hope to accomplish this by encouraging and developing virtual meetings, "environment friendly ICT products", and much more.

"WIPRO Signs Pact with WWF India for Ecological Sustainability" The Times of India. 6 August 2008. < <http://timesofindia.indiatimes.com/articleshow/3334254.cms>>.

WIPRO Calls on India to Sign Internet Treaties on Copyright

The World Intellectual Organization (WIPO) asked India to sign the WIPO Copyrights Treaty and WIPO Performances and Phonograms Treaty. These two treaties were established in 1996 to protect copyrights over the internet, but India has yet to sign the

treaties. WIPO Director of Copyright Law, Jorgen Savy Blomqvist, stated that it is in India's best interest to sign the treaties. It would encourage "producers of creative works" by providing them with their full income.

"WIPRO Calls on India to Sign Internet Treaties on Copyright" The Economic Times. 15 July 2008. < <http://economictimes.indiatimes.com/articleshow/msid-3237397.cms>>.

Wrestling for influence

Global institutions from the post-war period have been working well. But rising countries and growing threats are challenging their pre-eminence. Brazil, China, India, Mexico and South Africa are all contenders for a new global summit. With the shift in 21-century economic power has allowed for the justification for rebalancing influence in the top countries of the G7/8 summit. The rise of these countries is due to the massive effects of globalization which has an unfettered flow of information, technology, capital, goods, services and people that speared opportunity and influence in re-emergent countries like India, China, Russia, or even Brazil. New permanent members to the summit would broaden the regional balance, which could add authority and legitimacy to council decisions. The question remains: would countries that span the world achieve anything through a democratic process?

"Wrestling for influence" Economist.com. 3 July, 2008.

U.S.-India Relations

Relations between India and U.S. have grown with appropriateness since the cold War. Both countries share a commitment to democracy and peace, allowing them to cooperate in a jointly manner. The U.S. and India work together through sustaining global growth, ending poverty, fighting terror, defeating disease, and strengthening democracy globally. India has also flourished economically; because of its economic partnership with the U.S. Indian companies have been investing in steel, software, health care, and textiles from the U.S. India matches their economic partnership with collaborative initiatives on solutions to global issues. Both countries are working together with private business and organizations to expand their agricultural and energy production, as well as investing in science and technology to tackle poverty and heath issues. The strategic partnership between U.S. and India has grown into a positive role in South Asia. India buys large yields of American defense equipment, thus, allowing India to be a major donor in civilian efforts.

Boucher, Richard A. "U.S.-India Relations" Las Vegas, Nevada. 27 June 2008.

Arvind v Arvind

Arvind Panagariya of Columbia University wrote a book on India's economy, "India: The Emerging Giant". Arvind Subramanian also published a book on India's economy titled "India's Turn". Subramanian's book is a compilation of academic papers and newspaper articles; it is not self-written. The two economists show many similarities in thought, as well as some differences. Both economists agree on India's potential and believe that India must first be a manufacturing power and only then can it become an economic

power. The difference arises on the topics of “when and why India’s fortunes turned”. In 1991, the Indian government “cut tariffs on inputs, eased entry into foreign investors and largely dismantled industrial licensing.” Subramanian argues that the period before 1991, primarily the 1980s, laid the groundwork for India’s present achievements through acquiring a “skilled workforce and industrial experience.” Panagariya rejects that belief. He “applies the simple truths of liberal economics to a country that still sabotages itself with some dotty regulations”.

“Arvind v Arvind” The Economist. 26 June 2008.

In Fertile India, Growth Outstrips Agriculture

India has the potential to feed a majority of the world, but it can hardly provide for itself. India is second to the United States in arable land. The growing economy and “industrial innovation” are contradictory to the lack of agricultural growth in India. India’s first Green Revolution helped it overcome famine forty years ago. After years of neglect, the problem reached a point at which the Prime Minister of India, Manmohan Singh, asked for a second Green Revolution. Experts blame the lack of agriculture increase on India’s government. Since the 1980s, the government had not improved irrigation, loan access for farmers, or agricultural research. Many Indian farmers use wells as their water source and also depend on rain. The weather, however, does not look as though it will be helpful in yielding crops. Oftentimes, however, the more successful farmers in India are those that can sell their land to businessman for commercial use. Today, “pulses, like lentils and peas, and vegetable oils” are common in the Indian diet and are being imported in increasing quantity. Due to the increased wheat and other agricultural products, the government decided to raise the government rate on crops. As a result, farmers produced more and more readily sold crops to the government instead of private buyers. Next year, India will not have to import any wheat because of the supply in India today. India has the capability to continue utilizing its own crops instead of imports, given that it enhances its agricultural tools (i.e water, energy, fertilizer, and land).

Sengupta, Somini. “In Fertile India. Growth Outstrips Agriculture” The New York Times. 22 June 2008.

Inside Gate, India’s Good Life; Outside, the Servants’ Slums

Hamilton Court, a 25-floor high-rise for the upper middle-class in India, is one of many gated communities that have sprouted within India. At higher process, these communities offer what India’s government cannot; they provide lush lawns, private schools, 24-hour utilities such as water and electricity, security, and are similar to some gated communities in the U.S. today. On the outskirts of nearly all these communities, are shanty towns in which the poorer citizens live. These citizens usually become maids or chauffeurs to those in the gated communities. The difference in living conditions and nourishment between those who live within and those who live outside of the gated communities is night and day; it’s astonishing.

Sengupta, Somini. “Inside Gate, India’s Good Life; Outside, the Servants’ Slums” The New York Times. 9 June 2008.

A Challenge for the U.S.: Sun Rising on the East

Fareed Zakaria observed that the United States was a global, social, economic, and military power in all ways during the 20th century. It provided the world with new methods of agricultural farming and business, technology development and use, business management, and much more. However, in the 21st century, other countries are beginning to outdo the United States in all fields but military power. India and China are growing especially and will most likely influence more than just their neighboring countries.

Kakutani, Michiko. "A Challenge for the U.S.: Sun Rising on the East" Books of the Times 6 May 2008.

'The Post-American World'

Fareed Zakaria writes that there have been three "tectonic" shifts in the world power distribution. The first shift was the settlement of the West, the second the rise of America, and the third is the era we are currently living in, "the rise of the rest." The first two shifts represented modernity in an advancing world. The third we are experiencing now as the powers shift to other countries that, in the past century, were undeveloped. This era presents global growth through countries' active involvement and interaction with other countries.

Zakaria, Fareed. The Post-American World. Chapter 1: The Rise of the Rest. 6 May 2008. Copyright 2008. Published by W.W. Norton & Company, Inc.

Outsourcing Works, So India Is Exporting Jobs

India's "technology giant," Infosys, is hiring foreigners to work for them. They are outsourcing and hiring mostly newly graduated college students. After students train in India for six months, they return "to work in the company's American back offices." They are also planning to open a chain of back offices in other countries, in addition to the new American states they are considering to settle in. Indian companies are opening offices in developed countries before their clients can to beat the competition. Other Indian technology companies are also outsourcing. Cognizant Technology Solutions is a company with back offices in both Shanghai and Phoenix. Wipro has outsourcing offices in China, Canada, Portugal, Romania, and Saudi Arabia to name a few. Wipro also opened a software development center in Atlanta that plans to hire about 500 programmers in 3 years. Most of Infosys's 75,000 Indian employees work in India and account for most of the company's \$3.1 billion in sales from clients like Bank of America and Goldman Sachs. The company trains its foreign workers to be effective and more productive than any local company could.

Giridharadas, Anand. "Outsourcing Works, So India Is Exporting Jobs" The New York Times. 25 September 2007.

Fact Sheet: United States and India: Strategic Partnership

The U.S.-India strategic partnership enables both countries to work together on “expanding economic freedom and democracy, ensuring plentiful sources of clean, safe, and reliable energy; protecting security; supporting innovation and technological advances; and promoting public health.” The efforts include projects such as enhancing trade, agriculture, and investment, FutureGen, International Thermonuclear Experimental Reactor (ITER), Asia-Pacific Partnership on Clean Development and Climate, Maritime Security Cooperation, Counterterrorism, Military Logistics Support, Defense Trade, Non-proliferation, Intellectual Property Rights (IPR), Science and Space advancements, and the HIV/AIDS dilemma.

“Fact Sheet: United States and India: Strategic Partnership” The White House, Office of the Press Secretary. 2 March 2006.

<<http://www.whitehouse.gov/news/releases/2006/03/print/20060302-13.html>>.

India’s Future

India is currently the fastest growing nation in the world in terms of population and is on track to becoming the fastest-growing economy. The country is in need of regionalization efforts, but is limited due to the unstable nations that surround it such as its conflict with Pakistan over the control of Kashmir. In fact, not even bilateral peace talks can seem to take place between India and Pakistan because of recent past events of violent aggression (bombing of Indian embassy in Afghanistan amongst others). Relations with China have become increasingly interdependent as trade flourishes between the neighboring countries. China is the most stable neighbor of India, but even this country is helping fund insurgency movements across the region. India’s economy is rapidly growing with large business deals taking place rather frequently, such as the deal made in 2006 with Tata Steel. Large overseas investments are also characteristic of the modern Indian economy. Furthermore, India is beginning to develop energy projects with the help of U.S. aid in addition to higher technology and advanced military armaments. Regardless of its recent development, India’s future as a regional hegemon will inevitably depend on its relations with neighbors Pakistan and China.

Economist.com. “India’s Future”.