

future sense

How India wins friends & influences people: DNA World's guest writers talk about India's soft power



Chetan Bhagat

Chetan Bhagat is the author of two best-selling novels, *Five Point Someone* and *One Night at the Call Centre*

He studied at The Army Public School, Delhi and graduated from IIT Delhi (1991-1995). He completed his post-graduate studies from IIM Ahmedabad (1995-1997). At IIM he received the 'best outgoing student award'.

Bhagat currently works with an investment bank in Hong Kong.

His first book, *Five Point Someone* was ranked No 3 by *India Today*. It won him the Society Young Achiever's award in 2004 and the Publisher's Recognition award in 2005.

We're wasting our young ones

Sometime after I wrote *Five Point Someone*, which was about the pressures of coping in the competitive educational environment of the IIT, I met a guy from a Regional Engineering College who had read my book.

He came over and gave me a hug — and he started to cry! He said: "I'll never forget the look in my parents' eyes on the day I was rejected by IIT; and even though I now study in a prestigious engineering college, in their eyes I'm a failure."

Now, here's a kid who's been judged too harshly even before he's had a chance to face the real world.

I feel privileged and proud to have graduated from two premier institutes in India: IIT and IIM. Yet, I feel that the effort of building the brand equity of a handful of such exclusive institutions has come at a huge cost. It has fed a chronic lack of confidence in the young people of the country, by making them feel inadequate for not having made it to the big league.

There are millions and millions of young people in India — many of them excellent students — whose self-confidence is being systematically crippled in this manner. Look at the figures: last year, Harvard took in up to 20% of all applicants, or one

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in five applicants. In IIM, it's about one in 535; that's plain ridiculous. India's top colleges take in only about 1% of all applicants. A system that can accommodate only the 99th percentile isn't obviously doing a good job of creating enough leaders to solve the country's problems.

Our education system is simply too competitive, and it places excessive emphasis on textbook learning. The IIT or the medical entrance exams are only a test of your knowledge of physics, chemistry, and biology or maths.

If you look at people who excel in India — from Infosys founder NR Narayana Murthy to film-maker Mani Ratnam —

they're all people with imagination, innovation, and creativity.

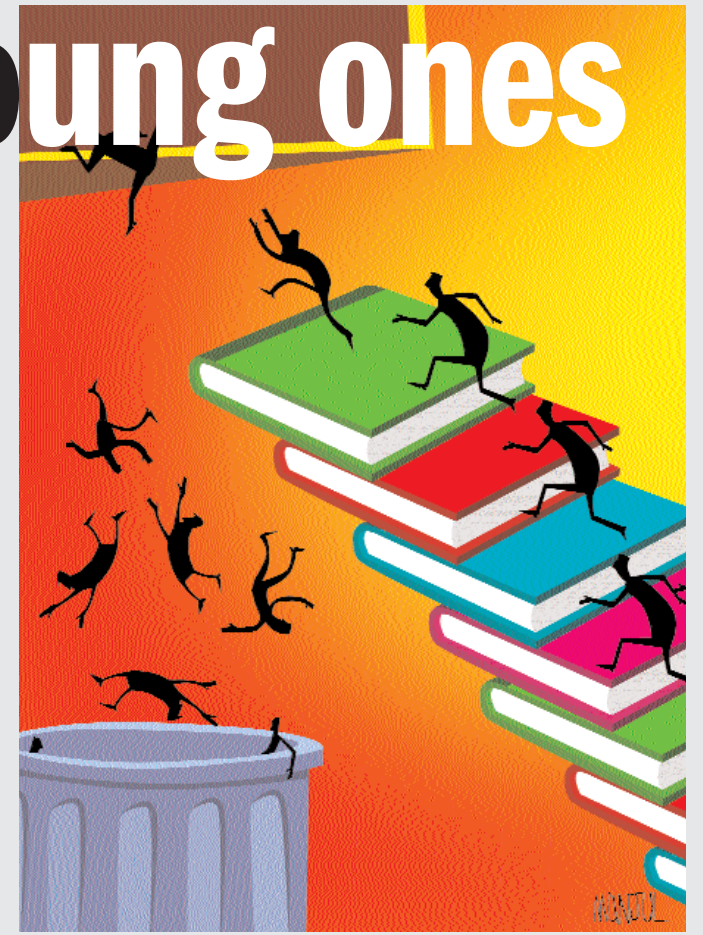
But will people like that make it through such a system? I fear not.

Today, we have a pumped-up young generation, made up of perhaps the most driven people in the country. If we don't utilise their energies — if we brand them as failures for not making it to IIT and put them in Qualises to be driven to call centres every night — we're crushing their spirit and wasting them away. If India becomes just one giant call centre, it's nothing to be proud of.

Only the other day, a girl who works in a call centre wrote to say that my second book, *One Night at the Call Centre*, summed up the sentiments of many others like her: she said, "We are the generation with ambition but without an opportunity."

Our education system is in urgent need of reform. As the Director of an IIT said, "Twenty years ago, we needed IITians to run factories and put up plants. Now those things can be done on remote control. Instead, our colleges should now be focussing on creating leaders."

We should stop churning out nerds and give our young ones an education in the richest sense of the term.



Indian lobby in US has its heyday

India is on a high in the US due to exploding business ties, the big clutch of Indian firms here and the reality that every Indian doing well in America sells India

Uttara Choudhury, New York

The halls of Congress today teem with private lobbyists representing Indian business and multilingual Indian-Americans who flit between the East and the West. They have pressed for more H-1B visas and sustained a massive lobbying effort to keep the Indian nuclear deal on track and on a blue streak.

In a sign of the times, US business has also mobilised over the nuclear deal. "It ain't going to be easy, it ain't going to be pretty but the India-US nuclear energy deal is going to be done," quipped Tom Donohue, president of the US Chamber of Commerce. Business may well be the weight that tips Congressional approval with General Electric, Ford Motor and Boeing behind the lobbying push — a sealed deal will open doors for \$100 billion in sales not just in nuclear gear but in everything from turbines to big ticket infrastructure projects in India.

Clearly, India's domestic market and its firms' weight in the US economy have exploded — exerting new influence on Capitol Hill. The weight of business may soon place India second only to Israel among international interests able to influence Washington policy-makers.

Democratic Congressman Jim McDermott, one of the five founders of the jumbo-sized Congressional caucus on India, said the "great shift" in ties was



More than a soft sell

Indophile Ron Somers, president of the Unites States-India Business Council which has 500 companies among its members, exults 'Jai Hind' in letters drumming up support for the Indian N-deal. He engaged the politically well-connected Patton Boggs law firm to lobby lawmakers which is one of the most expensive lobbying firms in Washington, with a billing rate of \$495 an hour.

spurred by India's economic clout. "Back in 1991, when then finance minister Manmohan Singh was bringing on free-market reforms the glass was empty. When you talked in the US about doing trade with India or doing anything with India people laughed at you! Nobody is laughing now," McDermott told DNA.

Americans have embraced India in some measure because they have had a positive experience with Indians in America. "We have forged deep relations with many incredibly smart Indians working here and many American companies have large operations in India," said McDermott.

Two-million-strong Indian-Americans have the highest per capita income of all immigrant groups. Indian entrepreneurship is kicking in the US with companies run by Indians and South Asians netting \$1.45 billion in venture capital last year and over \$591 million in the first six months this year.

"Indians are collaborative and have brought a torrent of knowledge and

skills to the US market," said Rajiv Khanna, the first Indian to become a partner in a top US law firm. He is a shareholder in Greenberg Traurig and president of the India-America Chamber of Commerce.

"Every time an Indian does well he sells India. Lakshmi Mittal is an exemplar. He may be creating the world's biggest steel empire to realise his business ambitions but he is selling India," said Khanna whose own rise to riches is a remarkable story. The dotcom bust prompted cost-savvy Indians in Silicon Valley to farm work out to Bangalore. Today, India's IT stars like Wipro, Tata Consultancy Services, Satyam and Infosys are expanding — hiring at breakneck speed in the US.

Intent on being on the list of "Top 10 Global IT firms" by 2010, Tata Consultancy is expanding its presence in North America. It has 50 offices in the US and is hiring the best brains from Ivy League Harvard and the Massachusetts Institute of Technology.

"We have been actively recruiting at

top global tech and business schools including Harvard. In North America, we expect to hire about 1,000 local associates this year to build on our already sizable presence in this geography," said Surya Kant, president of TCS America.

In a move that has made the US hotel industry sit up, Tata group-promoted Indian Hotels which runs Taj hotels, launched a \$35 million facelift for The Pierre to modernise one of New York's oldest, most exclusive properties. Wipro's finance chief Suresh Senapaty earlier indicated the Indian firm listed on the New York Stock Exchange was "very actively looking" at selling more American Depository Receipts in the US.

All this frenetic business activity bolsters India's diplomatic standing and soft power but outsourcing still sparks the odd round of India-bashing. Time magazine said a scary new word — "Bangalore" meaning your job has moved to India without you — had crept into water-cooler conversations in offices.

"There is understandable unease among many Americans at the prospect of job loss due to global sourcing. But we often fail to recognise the upside of globalization," said Jonathan Huneke, spokesman for the United States Council for International Business.

"For example, our growing trade surplus in services — as opposed to goods — is the direct benefit of greater openness in countries like India. This boosts employment in the US in high-paying jobs." Thomas Friedman argued in *The World is Flat* that India and China were forcing the rest of the world to "run faster" just to stay in place. Huneke put a positive spin on this; "Competition, whether between individuals, companies or nations, is a good thing. Of course, we have to run faster to keep up with China or India. But just like exercise, it keeps you healthy."

India is the new America

The soft power assets of many of the world's major powers have fallen. The reputation of the US has taken a beating in the wake of the war in Iraq, allegations of torture, the "fortress America" posture. Global opinion of the US has plummeted to historic lows.

Europe has a lot to offer in terms of culture, its commitment to human rights and the environment but because of its inability to deal with multiculturalism — the riots in France, the tensions in Britain, Turks in Germany, the Netherlands — Europe's soft power has also diminished.

In Asia, China is historically inward-looking, despite the success of a film such as *Crouching Tiger, Hidden Dragon*. Manga and anime are popular but Japan is a very homogeneous society that cannot really be emulated by other more diverse societies.

That leaves us with India, a vibrant, multicultural democracy. India is a uniquely diverse country with a Sikh prime minister, a Muslim president, a Christian foreign woman leading the historically powerful Congress party, a Hindu head of defence — what other country can claim this?

The assertion of Indian culture in global media and the economic boom have led to a dramatic shift in the perception of India from a country of endemic poverty to a rapidly modernising country ready to take on the world.

India's soft power is not only its culture, it is also that it is seen to be a legitimate international presence and military power because it is a democracy. That helps India when it tests a long-range missile or asks for nuclear technology. But irresponsible or aggressive actions can quickly reverse this, as the recent experience of the US demonstrates.

India is engaging the rest of the world at time of rapid compression of time and space through fluid flows of capital, people and ideas. Indians both in India and outside of India have actually been a lot of the brainpower behind the creation of the electronic networks that make this possible.

But it is important that India's elite not get swept up with a too rosy picture. India is facing, with the world, a number of critical tipping points. India's demographics and rate of growth means it will slam up against them harder and faster than rich, developed countries. India needs a lot more energy. China also needs energy. The US shows no sign of diminishing its consumption. Competition for resources will only intensify. It is naïve to think that this will not create conflict.

I just spent 10 weeks in India and I have been visiting since 1960. Yet, I was astounded that now all of India's major metros, forget about midsize cities or villages, are dependent to some degree on tankers for drinking water; the water crisis is acute.

Environmental degradation is serious. The increase in air pollution is a terrible health problem, and a contributor to global warming.

India is a country that is developing very unevenly. One third of malnourished children in the



Mira Kamdar

Indian-American award-winning writer Mira Kamdar, author of *Motiba's Tattoos* is now at work on *Planet India* to be published by Scribner in early 2007.

She is a Senior Fellow at the World Policy Institute at New School University in New York.

She is a member of the editorial boards of *World Policy Journal* and *The Subcontinental* magazine. Her work has appeared in publications around the world, including the *International Herald Tribune*, *Los Angeles Times*, *World Policy Journal*, *Chicago Tribune*, *Connecticut Journal of International Law*, *Seminar*.

She has provided expert commentary for CNN International News, TV Ontario, TV Asia and the BBC.

'China's Bihar' outdoes Lalu

Venkatesan Vembu, Lanzhou

Travelling in northwestern China this week, I felt actress Hema Malini's cheeks, and I can state with authority that they're as soft as silk.

Okay, perhaps that needs explaining. You remember when Lalu Prasad Yadav once promised that under his watch, Bihar's roads would be made as soft as Hema Malini's cheeks? Well, since then much water has flowed down the Ganga, but from all accounts, those roads haven't quite benefited from the Botox treatment he promised.

Nevertheless, that distinction has been well and truly achieved in large parts of the "Bihar of China" — as Gansu province in the country's northwest has been branded on account of its poor ranking on the development index.

On the 70-km drive from the Zhongchuan airport into Lanzhou, the capital, in preparation for a push further into the Tibet Autonomous Region, one couldn't but marvel at the excellence of the infrastructure, of which the smoothness of the roads was only the most sensory manifestation.

Hotels in this frontier town in the back of beyond boast of services and facilities that would qualify them for several stars even in more bustling cities. That level of infrastructural efficiency is passé for urban China, but why invest in a desolate, arid, sparsely populated province with a per-capita GDP that's about a tenth of



Artists perform a ritual dance; (Right) Workers shovel snow on a Lanzhou street — Reuters

the national average?

It's part of a planned initiative on the part of Beijing to direct investments to the country's poorer areas in the west and northwest in order to bridge the widening income disparity between them and the booming eastern coastal region. These efforts include tax holidays for investors, transport subsidies, and the large investments in fixed assets that China is renowned for — roads, airports and hotels... Bihar-esque

our man in China

though it is, Gansu does have a few things going for it. A section of the famed Silk Route ran through it; and it is today China's potato-growing region, and is, like much of the western region, rich in minerals.

Gansu also has a number of scenic tourist attractions, including some breathtaking grassland landscapes and the Mogao grottoes of Donhuang — about 500 caves with Buddhist art that dates back to the 4th century. It is in this context

that those smooth-as-silk roads acquire significance. Beijing is betting that they will be the lifeline that will lift developmental and tourist activity into western China and lend some shine to it.

Then again, as one heads deeper into Tibetan territory, some of the warfts begin to show. The Chinese preoccupation with excess — the biggest, brightest and longest — are still visible, but without perhaps adequate application of mind to the matching need for quality of human service and



attention to detail, particularly in the hospitality industry.

For now, the Chinese, who want to attract Indian investments — and tourists — into these regions are looking to make up for their limitations on these counts, including an inadequate number of English-speaking staff, with touching enthusiasm and an endearing earnestness. But it could be a while before droves of Indian tourists and investors begin caressing Hema Malini's cheeks...

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