

Obama, India and Indian business

NEVER in living memory has the election been more critical than the one fast approaching!" — that's how the *New Yorker* magazine described this US presidential in October. The reason is because recent years have seen the US go from the most powerful economy and power in the world to one that's most impaired in terms of economy, power and prestige and reduced to becoming the largest borrower in the world.

History has already been made by Barack Obama becoming President of the United States. And as the *New Yorker* wrote, "the election of Obama — a man of mixed ethnicity, at once comfortable in the world and utterly representative of twenty-first-century America — would, at a stroke, reverse our country's image abroad and refresh its spirit at home." The US is in urgent need of both and given its dominant presence in the world economy, it's in the interest of the international community that this happens.

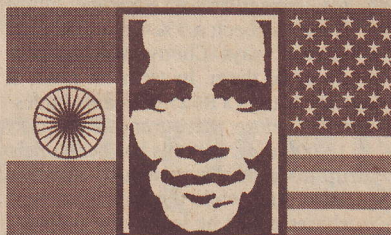
Our economy has developed deeper linkages with the US around increased trade, currency and investment. India Inc is one of the largest employers in the US as was pointed out in a recent Ficci report, on the back of recent acquisitions and investments by a large number of Indian companies like Wockhardt, TCS, etc. All this has significantly increased the risks and impacts of a US recession on our economy.

Therefore, the biggest expectation for India from the new President is the reversal of the decline of the US economy. He has talked about pumping in \$50 billion and tax breaks to the middle class to "kickstart the US economy". The revival of the US economy is critical to us and the world economy and is inevitable. Our exporters should be preparing to take advantage of this coming resurgence of US demand and the government must ensure that our exporters are enabled for this coming opportunity.

This new spirit and presidency would no doubt rejuvenate the US but this will also be on the back of changes in the way the US will

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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.

Barack Obama during his campaign has repeatedly talked about making the US economy competitive — this will redefine the strength of the dollar, which is currently at its strongest levels on back of flight to safety of the currency back to the US. We can also expect this new US administration to be more aggressive in trade negotiations since he has said "US will fight for a trade policy that opens up foreign markets to support good American jobs."

He also represents a hope that there will be fresh thinking on some of the other international challenges of global warming, renewable energies and reduced dependence on hydrocarbons — both of which are as crucial for India as well.

One of the biggest negatives dragging

down the world economy has been this growing sense of despondency and the vacuum of credible international leadership. Barack Obama has demonstrated both intellectual leadership and temperament that could turn this despondency into a positive view of the future. I put a premium on this.

As the *New Yorker* also wrote, "his ascendance to the presidency would be a symbolic culmination of the civil- and voting-rights acts of the 1960s and the century-long struggles for equality that preceded them. It could not help but say something encouraging, even exhilarating, about the country, about its dedication to tolerance and inclusiveness, about its fidelity, after all, to the values it proclaims in its textbooks.

At a moment of economic calamity, international perplexity, political failure and battered morale, America needs both uplift and realism, both change and steadiness. It needs a leader temperamentally, intellectually and emotionally attuned to the complexities of our troubled globe. That leader's name is Barack Obama."

And so in addition to the issue of global economy, I believe that his election also resonates as a loud and clear message of hope to the millions of people in Africa, Asia and other parts of world still racked by poverty and hopelessness.

Barack Obama represents a new, fresh opportunity for future of the world and India in particular. Given his background, his international upbringing, his intellect and publicly articulated values and ideals around democracy and pluralism — India can and must play a very important partnership role with the US in shaping the world of today and tomorrow, starting with the coming G20.

For many around the world inspired by the story and idealism of American leaders like John F Kennedy and Martin Luther King, this marks a new fresh beginning for the US and the world.

(The author is member of Parliament and president of FICCI)