

FINESSE OF BUILDING INTERNATIONAL RELATIONS – A SALVAGE TO INDIAN ECONOMY, SECURITY AND STATUS

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ABSTRACT

*The international trade in India is growing phenomenally with the advent of international investment. Opening the doors for internationalization adversely affects the way business in the particular country functions such as marketing is carried out. When a company operates internationally, it adds foreign conditions to its domestic ones, making its external environment more diverse. To ensure the foreign capital keeps flowing into the country, the Indian government has created a favorable policy regime and robust business environment along with some initiatives such as defense, PSU oil refineries, telecom, power exchanges and stock exchanges, among others. And moreover, PM Narendra Modi's diplomacy of encouraging global relations will be a sound investment to nation's future, as tapping into the Indian Diaspora all over the world will make Indians learn the united love for everything from different cultures of different countries. **The rationale of the current research is to cast light on - a) Facelift of FDI by improving Global Relations b) How Indian Diaspora paid best for our Indian economy?***

Keywords: Diaspora, FDI, International relations, Migration

I.INTRODUCTION

Internationalization means welcoming the proposals and stowing initiatives of doing trade with foreign countries across the world. This concept is not confined to operate across national boundaries only but also to pursuing higher education in other countries, expanding branches globally, grabbing job opportunities outside domestic country and many more. Maintaining global relations is the eminent fact for the growth and security of the economy as with the import and export expansion, the strengthening of country's business is ensured that targets to achieve the mission and vision of the company which is not possible if restricted to trade domestically. Looking onto the aspect of education, poverty, tech-soundness, Indian Diaspora plays an imperative role in learning how to live corruption-free and transparent lives that can lead to everyone's development. India's inconceivable past which was retrenched under huge debt and crisis has aggravated the cause for corruption in our mother land. But when we talk about our India Diaspora Prime Minister Narendra Modi has framed this term in a very lucid way that, "to combat the hindered progress of Indian and Indians is to tap into the Indian Diaspora all over the world and learn from their united love for everything.

II. REVIEW OF LITERATURE

On 10th January, 2018, the union minister The Union Cabinet led by PM Narendra Modi took a number of decisions including big bang FDI reforms ahead of the Budget 2018 where policies are intended to liberalize and simplify the FDI policy so as to provide ease of doing business in the country.

Gangi and Ahmed, (2017), they studied the role played by international relations on attracting foreign direct investment (FDI) into Sudan using a qualitative exploratory case method. It depends on two sources of data (secondary and primary), which work in a complementary manner. According to empirical results, international relations is key factor in attracting FDI into Sudan.

On November 30, 2017 Indian Today news updated at 15:23 IST orated about the India-Russia sign the Anti-terror pact where agreement was entered into to tackle all forms of terrorism and counter threats posed by narcotics.

Cederman et al. (2013), Diaspora linkages to specific contexts are not factored in the analysis, even if studies observe that the effects of Diaspora mobilization in geographically contiguous regions (Salehyan 2007, 55) and remote locations through “long-distance nationalism” (Anderson 1992, 1–10) are quite different

Zhang, (2014), he believed that FDI brings, *inter alia*, efficient management practices, a culture of competition, and access to global markets.

Gangi, et al (2013), according to him the main factors that determine the multinational enterprises’ FDI are the premise of ownership, internationalization and location advantages. The first two factors related to the firm willingness to poses asset abroad by expanding its activities to foreign countries. While the third factor represents the host countries, business environment which is also known by country specific advantages. This includes economic, political, and institutional factors. Among these, the political factors are considered as of vital importance

Orozco (2003), he specified the broadest descriptions of Diaspora impacts on economic development. He listed 5 T’s associated with Diaspora.

III. EDIFICING GLOBAL RELATIONS AND INDIAN SECURITY

Since 1984, starting with Meenambakkam Bomb Blast in Tamil Nadu (which has encountered 30 fatalities and 25 injured), our mother India has been imbibed into the menace of terrorism. In India terrorism is found in various shapes like ethno-nationalist terrorism, religious terrorism, left wing terrorism and narco terrorism. The Indian home ministry’s annual report 2016-17, report a 54.81% in terror incidents in the state Jammu and Kashmir which saw a surge of 93% in terror attacks last year. The tiger of India (Prime Minister Narendra Modi) has taken a tough line against terrorism. The government has decided not to seek a political outreach and concentrate on intensive security operations, going by the assessment that negotiations will signal weakness than accommodation.

Anti terror: Agreement signed between Russia and India

The agreement aims at curbing all forms of terrorism by strengthening relationship between both countries which has been consolidated in past 70 years in all areas. The agreement provided a comprehensive approach for cooperation in security related issues, including Information Technology Crimes, counterfeiting currency, illicit trafficking in narcotic drugs and psychotropic substances, trafficking in human beings, economic crimes, and crimes related to Intellectual Property, cultural property among others. Both countries conceded that terrorism has to be fought unitedly and there are no good or bad terrorists.

The two agreements which were signed were:

1. **Joint Action Plan for countering threat posed by narcotics:** It aims at countering threat posed by narcotics and agreement will provide legal framework for bilateral cooperation in this field which will be for period 2018-20.
2. **Updated and more comprehensive agreement on Cooperation on security:** The agreement provides a comprehensive approach for cooperation in security related issues.

IV.ECONOMIC ASPECT OF INTERNATIONALIZATION

FDI: FDI play a vital role in shaping the world both economically and politically. This type of investment gives the investor a controlling interest in a foreign company. Apart from being a critical driver of economic growth, FDI is a major source of non-debt financial resource for the economic development of India along with technical know-how and a hub for generating employment. **“Investment is an asset or item that is purchased with the hope that it will generate income or appreciate in future.” (Investment brothers)**

Make in India - A new regime in FDI

Different countries across the globe are facing varying trends of foreign direct investments in the recent years. The major player coming on front is India. After hashing the trends of FDI, it is clear from the changing scenario that it is rising at fast pace and the reasons for such increase is due to new government policies and various new initiatives such as MAKE IN INDIA. India has been able to climb up to 10th position in 2015 from 15th position in 2014 as trusted nation for foreign direct investments. As a result India has attracted FDI worth of \$40 billion for the financial year 2015-16 which was 29.2% higher than the last year.(UNCTAD,2016). Foreign direct investment during October 2014 and May 2016 grew 46 per cent to USD 61.58 billion after the launch of Make in India programme. The initiative was launched in September 2014 with an aim to promote India as an important investment destination and a global hub for manufacturing, design and innovation. “During October 2014 to May 2016, FDI equity inflow has increased by 46 per cent i.e. from USD 42.31 billion to USD 61.58 billion in comparison to previous 20 months (February 2013 to September 2014)

V.MODIFYING TRENDS OF FDI IN DIFFERENT SECTORS

In India, the inflows of FDI have a frog leap not just because of the e-commerce (trading) sector that has received more inflows; but other sectors such as computer software and hardware, construction, services, autos and the telecom sectors also account for a large share of the increase. The Government has eased FDI norms in

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November, 2015 in 15 major sectors, raising the Foreign Investment Promotion Board (FIPB) approval limit from Rs 3,000 crores to Rs 5,000 crores.

- ✓ Defense: The defense sector has seen an upsurge in terms of FDI i.e. to 49 per cent under the automatic route. Now, FIPB will clear investments over 49 per cent instead of the Cabinet Committee on Security. Portfolio investors and foreign venture capital firms can also invest up to 49 per cent as against 24 per cent earlier.
- ✓ Banking: In banking, the government has introduced full fungibility, meaning FIIs/ FPIs/ QFIs can now invest up to the sectoral limit of 74 per cent subject to the condition that there is no change in control and management of the private bank.
- ✓ Manufacturers: Manufacturers have been allowed to sell their products through e-commerce without government approval. Recently, 100% Foreign Direct Investment (FDI) is permissible in online retails through automatic Route in India.
- ✓ NRI Investments: NRI investments in real estate have also been simplified to encourage the inflow of funds. The Government of India has put in place a liberal and transparent policy for investment from overseas Indians. Most of the sectors are open to Foreign Direct Investment (FDI) under the automatic route.

The Union Cabinet led by PM Narendra Modi took a number of decisions including big bang FDI reforms ahead of the Budget 2018.

VI.CABINET LIBERALIZES FDI POLICY IN KEY SECTORS

- ✓ The Union Cabinet has approved a number of amendments in FDI Policy. These policies are intended to liberalize and simplify the FDI policy so as to provide ease of doing business in the country. In turn, it will lead to larger FDI inflows contributing to growth of investment, income and employment. Decisions taken by the Cabinet includes,
- ✓ 100% FDI under automatic route for Single Brand Retail Trading. Now, no government approval will be required for FDI in Single Brand Retail Trading (SBRT)
- ✓ 100% FDI under automatic route in Construction Development has been approved.
- ✓ Foreign airlines have been allowed to invest up to 49% under approval route in Air India
- ✓ FIIs/FPIs have been allowed to invest in Power Exchanges through primary market.

VIII.TRADING

Maintaining peaceful international relations is an art at which now India masters. It is the unfeigned fact that nobody and no place is ever full, some resources or some qualities always lacks because of which countries have always been heavily reliant on international trade. India shares cordial relations with almost every nation in the world and also has strong allies in the form of USA, UK, UAE, Australia and many more. Having a look on the statistics, in 2016, the United States has become the largest investment partner of India with a total of \$9 billion

investments and the investor community focuses on several areas like IT, infrastructure, telecom industry, biotechnology and many more. Another strong ally of India in terms of trade is the United Kingdom as in the year 2015 Indian companies in UK generated revenue of 1 billion pounds which ranked UK as the third highest FDI inflow making in India. UK has shown interest in partnering with India to develop smart cities in Indore, Pune and Amravati. Canada and India also enjoys a healthy trade relation with each other. India and Canada are currently holding bilateral talks on the Comprehensive Economic Partnership Agreement (CEPA) which is certain to boost the trade between each other.

IX. INDIAN DIASPORA- MIGRATION TO EUROPEAN COUNTRIES

Leaving the home country and getting settled in another country is a big step for anyone's establishment, but it is marked as a green flag when this establishment starts gaining fruits for the growth of home country. There is the case which shows the Indian Diaspora and its effects on the economic growth of India. One research project was conducted between the dates January 2011-March 2013 which was funded by Swiss Network for International Studies (SNIS). The objectives of the project were:

- Advancing empirical knowledge on **skilled return migration** and its impact on development (*country of origin*).
- Exploring strategies for leveraging the potential of **skilled migrants abroad (Diaspora)** (*countries of destination*)

The results showed that if the following obstacles like:

- Different work culture
- Resistance to change
- Lengthy bureaucratic process
- Lack of a suitable infrastructure is curbed then this Diaspora can take a frog leap to enhance Indian economy, providing security and growth at advanced and sustained level. **Conclusions drawn from the project depicts that:**

- ✓ Disadvantaged and minority groups express a higher commitment to India's development.
- ✓ Knowledge transfer by these people should be promoted since it would directly affect development among most disadvantaged communities in India.
- ✓ Their high representation in professional positions in India and among granted students in destination countries (Germany) needs to be ensured.

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