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Capitalising on the South Asian opportunity

SADC 2016 will let India forge connections and build partnerships for critical investments and trade links with the international Indian/South Asian diaspora. BY GOPINATH PILLAI



By supporting India's internal development and domestic reforms, its neighbours could profit from the burgeoning labour and commodities markets. PHOTO: BLOOMBERG

ETHNICALLY diverse, with more than 2,000 ethnic entities, South Asia is made up of eight countries: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, and is home to over one-fifth of the world's population estimated at approximately 1.8 billion.

As one of the region's largest and fastest-growing economies, India constitutes nearly 82 per cent of South Asia's economic growth. Its economy also ranks seventh in the world in nominal terms, and third by purchasing power, after adjusted exchange rates (US$8.64 trillion). Not only that, India is the only country in the region that has a membership in the Group of 20 (G-20) and the BRICS economies (along with Brazil, Russia, China and South Africa). Its neighbour Pakistan trails behind as the next largest economy (US$250 billion), with the fifth highest GDP per capita in South Asia, followed by Bangladesh and Sri Lanka, whose economy is the fourth largest in South Asia, with the second highest GDP per capita.

According to the World Bank, driven by a strong expansion in India, South Asia is the fastest-growing region in the world, with economic growth forecasted to gradually accelerate from 7.1 per cent in 2016 to 7.3 per cent in 2017.

Among all South Asian countries, India is poised to play a larger role in shaping the trends and developments of the region due to its demographics and rapidly expanding economy. While the projected global growth has been modest, India has been singled out as the next bright spot by the International Monetary Fund (IMF).

India is a country of 1.3 billion people and the Indian diaspora is estimated at 25-30 million. While this constitutes only 2 per cent of Indian's total population, the accumulated wealth of the Indian diaspora is estimated at US$1 trillion, which is nearly 50 per cent of India's GDP. It is thus of no wonder that India values its diaspora community seriously. This is evident in the fact that in order to woo high-net-worth overseas Indians and Indian-origin entrepreneurs, India set up an Overseas Indian Facilitation Centre (OICF) in 2007 as a strategy to channel back and facilitate more foreign investments and remittances from abroad.

In Singapore alone, the Indian diaspora community numbers around 500,000. Many of them have reached the apex of their professions and are highly accomplished individuals in the fields of politics, banking and finance, business, law, and medicine.

Some well-known South Asian-origin individuals in Singapore include Deputy Prime Minister Tharman Shanmugaratnam, Minister for Foreign Affairs Vivian Balakrishnan, Minister for Law K Shanmugam, award-winning musician Alex Abisheganaden, prominent businessman Murli Kewalram Chanrai, Chief Justice Sundaresh Menon, prominent businessman Ameerali Jumabhoy of one of Singapore's oldest Indian families, celebrated medical researcher Ariff Bongso, and green building and sustainability authority Nirmal Kishnani.

They epitomise the finest group of South Asian diaspora who have lived a tale of extraordinary courage and tenacity to succeed and excel in their respective fields. In the words of former Indian finance minister P Chidambaram: "Nothing can be more satisfying and rewarding than Indians living abroad connecting with Indians living in India."

Indian Prime Minister Narendra Modi once said: "A nation's destiny is linked to its neighbourhood." Considering that the Indian economy is developing at a quicker pace compared to its neighbours in the region, the challenge for India to rise as a regional power thus lies in its ability to constructively engage its immediate "neighbourhood" and to persuade its neighbours that India's rise should be seen as a glorious opportunity rather than a menacing threat. By supporting India's internal development and domestic reforms, its neighbours could profit from the burgeoning labour and commodities markets.

Aside from an economic revival of the entire region led by India's progress, other spillovers could include greater cooperation in managing divisive and sensitive issues, such as religious separatism, terrorism, and insurgencies. A case in point is the escalation of the Sunni-Shiite rivalry that threatens to intensify disputes between India and Pakistan. These two countries have the largest Shiite populations in the world after Iran, and tensions between the two inadvertently affect the region's progress as a whole.

Now, more than ever, the world needs a suitable and continuing platform to facilitate exchanges between high-level representatives to foster a climate of trust and friendliness that promotes the South Asian agenda of cooperation and mutual benefit.

Enter the third edition of the South Asian Diaspora Convention (SADC) to be held in Singapore on July 18-19. After a hiatus of three years, the Institute of South Asian Studies is bringing back a milestone event first mooted by Singapore's ex-president SR Nathan, to unite the diverse yet highly accomplished South Asians in different parts of the world to participate in the future of their original homelands, given current global events and trends favourable to the region.

SADC is a timely event that aims to address critical questions relating to the geoeconomic and geopolitical challenges affecting South Asia and the world today in five critical areas: infrastructure investments; education; startups and entrepreneurship; law and arbitration; and smart cities and digital governance.

Among all South Asian nations, India has one of the world's youngest populations. By 2020, the average age of India's population of 29 years will be among the lowest globally. To harness this demographic dividend, which is anticipated to last another 25 years, India will need to invest heavily in its youth with technical know-how and marketable skills. The availability of a skilled and educated workforce will be vital to the success of the "Make in India" initiative for which PM Modi has pledged to attain a skilled labour pool of 500 million by 2022.

To realise this vision, India will need to marshal resources and support from the private sector, foreign investors, civil society as well as international agencies. SADC 2016 thus presents an opportunity for India to amass valuable connections and build partnerships towards critical investments and trade links with the international Indian/South Asian diaspora community.

At the moment, India's infrastructure deficit is not only huge, but also varied and multifaceted in its dimensions. These deficits will in turn constrain India's ability to supply public goods to its citizens efficiently, and will have widespread implications for the country's aspirations to become the next high-end manufacturing hub in South Asia – which, if harnessed correctly, can bring about a positive domino effect throughout the region that will benefit its neighbours' economies.

On the back of infrastructure development comes the need for a skilled workforce, and keynote speakers and panellists at SADC are expected to debate actively on education and skills development policies. Various kinds of educational partnership models for South Asian economies need to be fully exploited in order to capitalise on their human capital effectively to translate a demographic challenge into an economic dividend.

In a globalised age where innovation and creativity are highly prized and deeply valued, the two entities are crucial in spearheading new directions of growth for all economies. India, perhaps more advanced in its planning process, has notably initiated "Startup India" and "Skill India" campaigns for the purpose of nurturing a talent pool skilled in information technology and entrepreneurship. By playing to their strengths, India and other South Asian nations are expected to find new breakthroughs through innovation and technological advancements in the years to come.

Export-led manufacturing and industrialisation have always been the bedrock of South Asian development. Manufacturing, as compared to other sectors, also has a larger multiplier effect as compared to the other sectors in creating employment and jobs in developing nations. Therefore, discussions that centre on business restructuring and innovation will greatly benefit the participating member countries of the South Asian region, including Sri Lanka and Pakistan.

South Asians have moved across the globe since the 1940s since the violent partition of India that saw the movement of huge numbers both within South Asia and beyond. Today, numerous entrepreneurs and professionals in the West can trace their roots back to South Asia, including newly elected London mayor Sadiq Khan.

No matter their nationality, age or profession, members of the South Asian diaspora are bonded by common traditions and beliefs of tenacity and perseverance perpetuated by their forefathers, not too unlike the Chinese diaspora. If ever there was a time to celebrate the successes of South Asians and embrace the many opportunities in the region, now is an excellent moment to do so – at the South Asian Diaspora Convention in Singapore next month.

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