Silicon Valley desis power Clinton campaign

AZIZ HANIFIA
in Washington, DC

Several Indian-American heavyweights in Silicon Valley came together at a fundraiser hosted May 31 at the home of venture capitalist Kamal Hassan and his wife Talat at their home in Saratoga, California, to raise several thousand dollars to beef up the campaign coffers of Senator Hillary Rodham Clinton, who is seeking the Democratic Presidential nomination.

The co-chairs for the event were leading IT entrepreneurs Lata Krishnan and Ajay Shah, and Vinod and Dolly Dham. Part of the host committee were attorney Neeraj Chaugh from Los Angeles, and second-generation Indian Americans in the Bay Area like Ro Khanna, Anjali Katkar, Lakhani Pratuary and Ajay Sarnan.

Among the guests on hand to write checks for Clinton were leading tech luminaries like the India Entrepreneurs founder Kanwal Rekhi, Suhail Patel, Komesh Vadhaswala, Subrata Jyengar, Anil Godheen, Naren Belzhi and Dr. Amol Mahal, recently elected president of the 35,000-member California Medical Association.

It was the first Indian-American fundraiser for Clinton not only in Silicon Valley, but on the entire West Coast and was held under the auspices of the Democratic National Committee of which Hassan is a delegate-at-large.

Hassan, founder and chairman of Hitek Ventures Partners, a venture capital company is the first Indian American to have been appointed an at-large member of the DNC last year by Howard Dean, its chairman and erstwhile Presidential candidate. The Hasans have been staunch Democrats for several years and have established themselves as major fundraisers in the Indian-American community on behalf of the Democratic Party.

In welcoming the guests and Senator Clinton, Hassan said: "We had two primary objectives in hosting Senator Clinton today — to continue to raise the political profile of the Indian-American community and to give Hillary a venue and a platform to address issues important to the community."

Hasan said later that "Senator Clinton has been, and will continue to be, an important voice within the American political landscape and we were interested to hear what she had to say on policy issues important to the community, especially given the breadth and depth of her knowledge on a wide variety of such issues."

He said the love for India that both she and her husband, former President Bill Clinton, shared was a given because they had visited India on a number of occasions and because they enjoyed widespread support within the community.

However, Hassan told India Abroad that while his wife has already endorsed Senator Clinton for the Presidency, he has not done so because being a DNC member-at-large "precludes me from endorsing any Presidential candidate," before the nomination.

Dr Singh’s daughter blasts administration

AZIZ HANIFIA
in Washington, DC

Arvind Singh, a fierce critic of the Bush administration’s alleged abuse of power in condoning torture and abuse, believes violent measures have resulted in some Americans feeling it is okay to racially profile South Asians, Sikh Americans and Arab Americans, whom they perceive as terrorist threats.

Singh, Indian Prime Minister Manmohan Singh’s youngest daughter, is a staff attorney with the American Civil Liberties Union’s Immigrants’ Rights Project and one of the country’s leading civil rights advocates.

She told India Abroad that rising xenophobia had resulted in an unprecedented incidence of racial profiling of and hate crimes against South Asian, Sikh Americans and Muslim Americans.

Singh, who never talks to the press, chatted with this correspondent briefly only after extracting a promise that no questions would be asked about
William J Baumol
The economist spoke to Managing Editor (Features)
Arthur J Pais

A mere century ago, the purchasing power of an average American was one-tenth of what it is today. But the big question is: What will it take to sustain that growth through the next century? And what about economic growth in aspiring nations, including India, which seek higher standards of living for their citizens?

Ask William J Baumol, Robert E Litzen, and Carl J Schramm, the authors of the hotly debated book Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity.

In the book published by Yale University Press, the three distinguished economists assert that the answers to above questions lie within capitalist economies. However, they note, many observers make the mistake of believing that capitalism is of a single kind. The authors apply their conclusions through studies of a number of economies: in addition to India and China, they also look at Russia, and Israel.

This new view of the wealth of nations offers a guide to economic policy in all countries, from richest to poorest. This is a daring book with big, bold, important ideas," says George Akerlof of the University of California, Berkeley and the Nobel Laureate in Economics, 2001.

Baumol, 85, a son of immigrants from Eastern Europe who began his education in the humble schools in the Bronx in New York, is Harold Price Professor of Entrepreneurial Studies at the Stern School of Business, New York University. He is professor emeritus at Princeton and has received honorary doctorates from nearly a dozen universities in Europe. He is the 2003 winner of the International Award for Entrepreneurship and Small Business Research.

Why did you write this book?
We worked on this book in the hope it is read not only by economists and other professionals but also by general public. We used the title to let the readers get away from the notion that capitalism is either the creation of devil or the solution to all mankind's problems.

What kind of capitalism are you talking in this book?
We have identified four distinct types of capitalism: State-guided, oligarchic, big firm and entrepreneurial. These four types of capitalism are all present, in a variety of combinations, throughout the world including India that for many decades after Independence had a State-guided capitalism. The entrepreneurial capitalism that has powered the American economy toward a higher growth rate since the 1990s is taking hold of Ireland, Israel, and India.

The economist spoke to Managing Editor (Features)
Arthur J Pais

India will produce people like Thomas Edison, the Wright Brothers and Bill Gates

With the freeing of the Indian economy I expect something startling to happen

The rise of the Internet has played a big role in the 'Indian miracle'

Thomas Alva Edison, the Wright Brothers, and Bill Gates.
nities; otherwise there will be steady stagnation.

You write about Harvard economist David Landau's economic growth is strongly about culture, that some societies have hardworking
and entrepreneurial people. Apart from America and Europe and Japan, he also
includes India in recent years.

We don't deny culture plays a role, but it cannot be the sole factor explaining economic success. It was, then, why
have so many Indians and other expatriates been so
successfully outside their home countries, while millions who
had similar educational background in India are struggling in
acute poverty? The countries the successful entrepreneurs
left behind have struggled because of the institutions that
imposed many artificial barriers such as caste distribution. It has
become the home of the information technology outsourcing
and revolution and yet there are many rules, despite the
economic reforms forgoing ahead for over a decade, that
drag down other parts of its economy.

You also talk about reverse brain drain in the
book. India is the leading practitioner of reverse brain drain. It is a
bold strategy for a developing country to encourage, or
at least not limit, its people from immigrating to technolo-

gy-leading countries like America. The hope is that they
will succeed abroad and either return to their home coun-
tries or facilitate, while living abroad, the start-up of inno-

vation of entrepreneurial enterprises in computer
America have invested in Indian enterprises and some
have returned home.

What are some of the things that surprise you most
in the Indian economy?

How India which had become a model of detailed,
intrusive guidance by the State under the leadership of Jawaharlal Nehru and several successors
changed in the last two decades. There was a time
when every type of economic activity including
installing some basic piece of equipment needed the
approval of a government agency. I believe that India's
rise in the IT world would not have occurred without
some entrepreneurs taking risks.

The establishments of the Indian Institute of Technology
camuses and similar institutions in the mid 1950s and
early 1960s was a great success of this IT revolution. These
institutions were started to produce more home grown
scientists and engineers. The Indian leaders might not
have foreseen that years later many of the brightest
products of these institutions would go abroad, particu-
larly to America, and become successful entrepre-
neurs there. Many stayed back in India too and
brought about good changes. But together, the emi-
grants and those who stayed back, led to the cre-
ation of entire new businesses in computer software
and even call center businesses. Perhaps just as impressive are the numbers of Indians who have
become successful entrepreneurs in the U.S.

The rise of the Internet has played a big
role in the Indian miracle. The instant communica-
tions capability that the Internet offered helped
India's IT sector considerably.

Among the various complaints against the
new Indians in India is the growth of envi-
ronmental pollution.

It is a big risk for India, and it is a big risk for any coun-
try. But many people do not believe that is however
bad capitalism has been for the environment, Communism
was far worse, especially in Poland, Ukraine, Russia
and China. When you see the degradation of environment in
these countries, capitalism looks very benign by compar-
sion. I believe Communism is a bad instrument for protec-
tion of the environment. Here as the environmental activists
is not a good instrument to protect it. I also believe that we
are already making considerable progress under capital-
ism to protect the environment. If you look at the records,
at what has happened to air pollution in England or the
US, or water pollution, you see that the results have been
very good. And that is because capitalism has been able to
reduce poverty dramatically. If not for anything else, in
their own interest many capitalists are more willing to make
efforts to protect the environment. I can well understand why a poor Brazilian farmer wants to
burn down a forest, producing an ecological catastrophe.
Or in Indonesia, which has great natural resources
steal electricity, live in the forests and hills that scare away
even the toughest police and spoil the environment.
So success in protecting the environment is dependent on suc-
cess of steps towards elimination of poverty.

The distribution of land in Venezuela is draw-
ing to the attention of the world. The peasants are
encouraged to seize land from the wealthy land-
lords. In India too, there are Maoists who
believe in forcible land seizure.

It could be like many populist measures counterproduc-
tive. In Russia, millions of acres of land were collectivized,
and how can anyone forget what happened? One of the
biggest famines in Russia occurred under Stalin. In China
too, the effect of famines under the Communist govern-
ment was devastating. Anyone who advocates land
seizures should look at the countries where the land
reforms were done gently and without the government
making a big issue of it. Like it happened in Taiwan in the
1950s. The land reforms in a way helped build confidence
in the government, and made it easier for the economy to
take off all over. In Venezuela, a charismatic leader
like Hugo Chavez is widely accepted despite the dangerous
dependencies and social problems. And I get worried about Venezuela and other Latin American countries. The oligarch capitalism in
those countries is doing much harm. I am not worried about
India. India has opened its doors to the reforms, and India is educating its people in big numbers. And India
could stop reckless capitalism. But in South America and
Africa the situation is very different.

Many people feel that America is becoming less
interested in keeping the doors open to immi-
grants. What kind of immigration policy should be
there under good capitalism?

I believe in a fairly liberal immigration policy. We don't
have to isolate ourselves from the rest of the world. I
believe immigration has always been very stimulating to
society and the economy. But I also believe that there
when these low wage immigrants become successful, it
may be too late to bring their parents over.

You also support the idea that America should
welcome more foreign students.

I strongly feel that by reducing the number of foreign
students America is losing an opportunity to continue
engaging the rest of the world. Foreign students can create
a lot of goodwill for America. If for nothing else, we should
courage foreign students to come here for our own self-

ish reasons. There seems to be declining interest in math
ematics and science among the young people born in
America. And to make the situation worse, the number of foreigners who in recent years have made up a significant
number of our mathematics and science graduates are now
down because of immigration restrictions following 9/11.

The situation is becoming worse because of the increasing tendency for U.S.-educated scientists to return
to their home countries including India where they have
excellent state-of-the-art research facilities now.

How does a good capitalist society look at out-
sourcing of jobs?

There should not be any attempt made to hide the facts.
Americans should know how many jobs are lost.
Outsourcing helps India considerably and that is a fine
thing because India is a poorer country than America. If
America pursues a good educational policy, if the innova-
tors and big capitalist firms that take these innovations to
the largest number of people are encouraged, America will
continue to thrive. But it must invest new industries to
stay a few steps ahead of the competitors. There is vast
exaggeration regarding the loss of jobs in America. It is
not that the unemployment rate has suddenly shot up in
the past few years in the face of increasing numbers of
jobs going offshore. In fact America has been adding a
few million jobs in the past few years. Some of the fields
most vulnerable to foreign competition have seen
healthy gains because demand growth has more than offset the effects of outsourcing.

In the final reckoning whether it is America or India
or Ireland, two key ingredients are necessary for the economy
to flourish and the standard of living increase steadily.
First, have excellent educational policies. Countries where
entrepreneurs who promote growth are well rewarded will
grow faster than the countries where there isn't a real and
sustained appreciation of innovators and entrepreneurs.
Second, the contribution of a visionary entrepreneur is
unique. Though there were inventions like steam power
in ancient Rome, they were used for military and mili-
tary reasons. There was no vision or desire to pass on
them to the public. India has been making tremendous
progress but India or any other country, including
America should never forget that without entrepreneurs,
and without the right incentives to them to devote themselves
to innovating, and ceaselessly to commercial
use of their innovations, real economic progress will
not happen. And entrepreneurship and appropriate incen-
tives are then the indispensable ingredients of any grow-
ning and dynamic economy.