



Introduction by
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Prime Minister

The world has changed beyond recognition since I was a student at Oxford. Yet, some age-old problems endure. Back in the 1960s and 1970s, there was considerable doubt about the benefits of international trade for developing countries. I was struck by the deep distrust of the world displayed by many of my countrymen. We were influenced by the legacy of our immediate past. Not just by the perceived negative consequences of British imperial rule, but also by the sense that we were left out in the cold by the Cold War.

India's share of world income collapsed from 22.6 per cent in the year 1900, almost equal to Europe's share of 23.3 per cent at that time, to as low as 3.8 per cent in 1952. Indeed, at the beginning of the 20th century, "the brightest jewel in the British Crown" was the poorest country in the world in terms of per capita income. However, India and Britain has since set an example to the rest of the world in the way they sought to relate to each other, thanks to the wisdom and foresight of Mahatma Gandhi and Jawaharlal Nehru.

When I became the Finance Minister of India in 1991, our Government launched the Indo-British Partnership Initiative. Our relationship had by then evolved to a stage where we had come to regard each other as genuine partners. Today, there is no doubt in my mind that Britain and India are indeed partners and have much in common in their approach to a wide range of global issues. Our notions of the rule of law, of a Constitutional government, of a free press, of a professional civil service, of modern universities and research laboratories have all been fashioned in the crucible where an age old civilization of India met the dominant Empire of the day. These are all elements which we still value and cherish. Our judiciary, our legal system, our bureaucracy and our police are all great institutions, derived from British-Indian administration and they have served our country exceedingly well.

The idea of India as enshrined in our Constitution, with its emphasis on the principles of secularism, democracy, the rule of law and, above all, the equality of all human beings irrespective of caste, community, language or ethnicity, has deep roots in India's ancient culture and civilization. We were also greatly influenced by the ideas associated with the age of enlightenment in Europe. Our Constitution remains a testimony to the enduring interplay between what is essentially Indian and what is very British in our intellectual heritage. The realisation of India as an inclusive and plural

society, draws on both these traditions. The success of our experiment of building a democracy within the framework of a multi-cultural, multi-ethnic, multi-lingual and multi-religious society will encourage all societies to walk the path we have trodden. We both seek a world free of poverty, ignorance, disease and the threat of terrorism and must work together in all possible forums to these ends.

In this journey, and this is an exciting journey, both Britain and India have learnt from each other and have much to teach the world. The challenge before us today is to see how we can take this mutually beneficial relationship forward in an increasingly inter-dependent and globalised world that we live in.

India still faces a huge challenge to raise a great number of our citizens out of poverty. However, the big picture that is emerging for India is a positive one. Our growth rates have increased in the past three years, including the rate of growth of industrial production. The business climate for the foreseeable future is positive, despite the constraints imposed by high oil prices and gaps in infrastructure. The overall rate of investment has also increased and I am sure it will continue to do so if we persist with policies that will make investment in infrastructure more attractive and secure. India is now a place where business leaders with a vision and the determination to take the economy forward, and entrepreneurs who are willing to think big and think into the future, are welcomed.

These are exciting times for Indian business. New opportunities for growth are opening up all the time, both at home and abroad. Our Government is playing its part to create a more hospitable environment for trade and business. Business, as well as government, must pay attention to employment generation and the welfare of the working class. This will improve the climate for investment by contributing to social and political stability.

There is now greater scope than ever for Indo-British cooperation based on the opportunities opening up in our country. Corporations are increasingly recognising the enormous opportunities that a market of over a billion consumers offers, in the long run. They seek to take advantage of the pool of high quality scientific talent and skilled work force in the manufacturing and services sectors. British companies are among those expanding their operations in India to make India their manufacturing hub for the region. This is smart strategic planning, and I welcome it!

I also welcome this important report on India produced by FIRST to mark my visit. E