

Imagining India : Ideas for the New Century

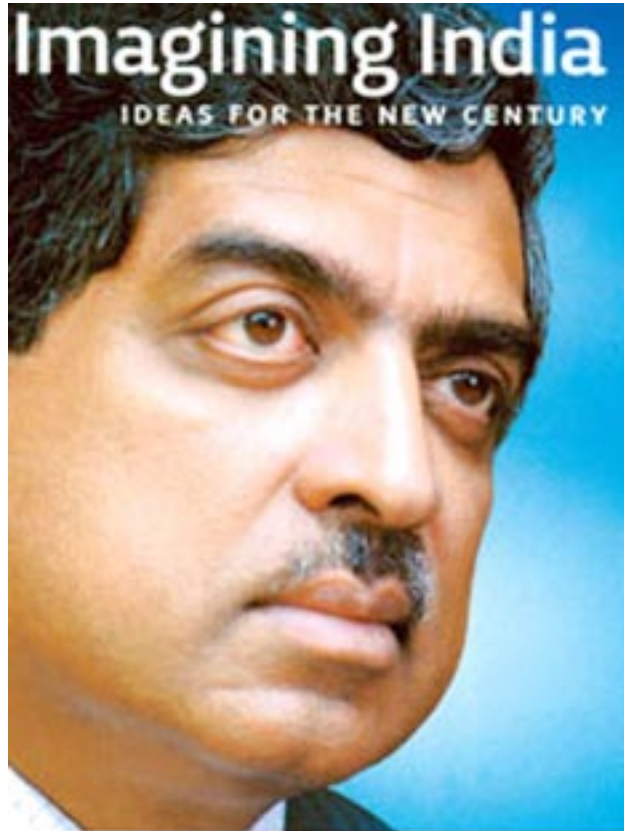
By Nandan Nilekani



Review by
Sanjoy Bagchi

OFF AND ON A MAN APPEARS IN THE COUNTRY who by his personality, his vision, his ideas and his achievements brings about a revolutionary change in the existing situation and gives a new orientation to the country's progress. Such persons are really the country's jewels. Gandhi (the Mahatma, not the later pseudo ones) was such a person who by his magnetic personality, his transparent integrity and his identity with the rural masses converted the Indian National Congress from being a placid debating society of petition-writers into a vibrant mass organisation for the freedom struggle. Homi Bhabha and APJ Abdul Kalam were two other persons who had also, by their intellectual acumen and by their vision of the country's potential, stretched the local frontiers of science into undreamt areas of achievement.

The country has been honouring its 'greats' from time to time by awarding the title of *Bharat Ratna*, the jewel of the country. The ruling party has been mostly packing the order with its nondescript followers who



are hardly remembered. Ask any person in the street to name ten persons who have been awarded this distinction and I am sure they would not know.

Nandan Nilekani is one of the real jewels. He is a pioneer in the field of electronic revolution and information technology. As a co-founder of Infosys Technologies Ltd., he is largely responsible for developing this sector in the country, making it one of the acknowledged global leaders. Being a new segment of economic activity, it was beyond the

compass of the debilitating control of the government in India where the 'socialist ethos' was dominant. Nilekani admits that being an 'unconventional' business, the governmental regulations did not hamper us, and we worked outside the controls that stifled companies in manufacturing and agriculture'. The Industries (Development and Regulation) Act and the Industrial Relations Act were not designed for the growth of organised industrial activity but were really implemented as retardants or, at best, for the maintenance of the *status quo*. Nilekani and others took

advantage of the window of opportunity to create a brand new sector based on private initiative and human intelligence, aided by the technological innovations cutting across national boundaries, with vast employment potential for qualified personnel. For India, with its huge reservoir of educated unemployed, it was a God-sent opportunity.

Nilekani's book explores the 'ebb and flow of ideas and how this has shaped the changes in our economy and politics'. It reveals 'the power of changing ideas' and how cross-fertilisation of new concepts across the country has reversed the historically entrenched policies. In this analysis, he has shown an astonishing breadth of interests and a fantastic depth of knowledge which is reflected throughout in the book under review.

Nilekani has divided the book into four parts. The first part discusses the issues 'where our attitudes have changed radically over the years' and he believes that these shifts are really the heart of India's present dynamism. The second part examines issues that are still in the air, although widely accepted and their results are yet to be translated on the ground. He means the idea of full literacy, the instinctive hostility towards urbanisation and such like things.

The third part contains the issues 'where partisanship has peaked and where lack of any consensus has stonewalled progress on urgent policies'. Nilekani has cited the instances of the reform of labour market and the role of the state in private universities. The last part looks into what he calls 'forgotten nooks of policy' that are critical for the future. India's rapid economic growth demands more innovative new ideas as 'existing solutions for issues like health, energy and environment have proved ineffective'.

The book's coverage is very wide and includes almost every significant issue including some highly controversial ones. It deals with caste politics, labour reform, the development of infrastructure, the goal of higher education (the portion on the . universities is

aply called 'institutions of sand' which would not please Arjun Singh), the place of English language in the country and several others. While getting to the heart of these controversial issues, Nilekani also takes up the important question of how globalisation would treat India and how can India avoid the pitfalls and still maintain its commitment to open market.

The incisive nature of Nilekani's exposition can be gauged from his observation that the challenge lies in uniting our people and policy makers 'towards urgent and necessary solutions'. He noted the case of the coalition governments at the centre whose labels reiterate unity and a common purpose but which 'in reality represent fiercely sparring ideals and reflect an India that is intensely fractured'. This is the verity. We read these labels everyday but do we reflect on the conflict of ideals beneath the surface?

Without detracting from the merit of the whole book, I found the opening chapter 'Notes from an Accidental Entrepreneur' and the concluding part 'The Awakened Country' absolutely fascinating. He observes at the beginning that our politics is 'broadly organised along the lines of caste, religion, region and class. These form the basis of our loyalties and often of our developmental policies.' This is positively true but will our politicians ever admit it? He calls these divides as 'vertical issues in Indian society' that dominate the electoral space but he has a sneaking hope that they will become much less central. He does not reveal the grounds for this optimism as the recent trends in the elections do not support this view. On the contrary, he goes on to admit that 'the aim of caste and religion-based combinations in the government is to ensure specific benefits for their own group or community' through reserved jobs, reserved places in educational institutions or the legislatures.

India had suffered for decades from the misfortunes of 'a closed access economy' where employment was scarce, businesses were difficult to

start and capitalise, and the quality of education systems varied widely. Nilekani believes that the ‘most important driver for growth lies in expanding access to resources and opportunity’. His goal for the future is: ‘people everywhere, regardless of their income levels, should have access to health facilities, clean water, basic infrastructure, jobs and capital, a reliable social security system, and good schools where their children can be educated in the English language’.

He (Shri Nilekani) believes that reforms for expanding access are most crucial, especially for the disempowered. Reforms are ‘critical in bringing income mobility to the weakest and poorest groups’. In that context, he sees ‘the current forces of globalisation as working largely in India’s favour’. He thinks that ‘India has far more to gain than lose by embracing globalisation more fully’.

Let us, for example, look at the treatment of India’s population growth which has been conventionally considered as an albatross round the country’s development. In the 1960s, ‘Malthusian hysteria’ had pushed us to control the population growth. The Marxists, on the other hand, contended that socialism could ‘support any level of population’. Then the idea of population as ‘an asset rather than a burden specially gained currency with the rise of knowledge-based industries such as IT, telecommunications and biotechnology in the 1970s’. It placed human capital at the centre and as the main driver of productivity and growth. A larger working population has helped put the country’s saving rate to an all-time high in 2008 and it is ‘set to rise even higher to 40% of the GDP by 2015. The high rate creates ‘additional capital for investment across the economy’. The demographically rich generation drove ‘East Asia’s rise as a manufacturing and technology power’.

This ‘demographic dividend’ coincided time and again with similar patterns of large numbers of young

people with fewer dependents. Nilekani believes that with the falling fertility rates in India, its dividend, that had started since 1980, is likely to peak around 2035 and could last until 2050. ‘This opens up interesting new opportunities for the country, as the challenge of maintaining wealth in ageing societies means that developed markets will have to increasingly outsource their labour requirements.’ India has now the second largest reservoir of skilled labour in the world with more than two million English-speaking graduates and this pool increases every year. ‘This makes demographics in India not just one factor in politics but the central factor’. Nilekani has concluded that ‘with growth, our human capital has emerged as a vibrant source of workers and consumers, not just for India but also for the global economy’.

This is a drastically condensed summary of the population question. To get its real flavour, one should go through the full text containing the whole range of subtle arguments and supporting facts. *Imagining India: Ideas for the New Century* is a massive book spread over more than 500 pages. It contains closely argued treatment of almost all the problems of the country supported by theoretical assumptions, historical parallels and prevailing facts. Mercifully, it avoids charts and diagrams and it is written in an engagingly readable language that is far from the pedantic prose usually associated with such treatises. However, the book should not be devoured at one go; it should be read in small doses; each issue taken one at a time with sufficient opportunity to ponder and savour the contents. It is unhesitatingly recommended to all those who are interested in our country and its future.

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