

**Speech by Mr Tarun Das at the
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Human Resources – A Blessing

All of us recognize that our country faces enormous challenges - complexities - conflicts relating to Governance, Corruption, Crime, Law and Order, Violence, Infrastructure, Education, Health, Poverty, Development, Growth, Implementation – you name the problem – we have it in India.

But, I, for one, don't get overwhelmed by today's issues. And, I see that India is blessed.

Blessed with the abundance, indeed, surplus of talent, resources and capability. 700 million people under 40. 400 mn under 25. India is blessed.

This blessing relate to Human Resources – People! Because people make the difference.

Because, even ordinary people, given the opportunity, the space, the trust can achieve extraordinary things. I have seen this again and again in my lifetime. A combination of people and faith.

Let me now turn to India as the Factory to the World. How does one see it?

Actually, it is not going to be one factory to the world. I see India as six factories to the world. Six huge big buckets.

1. The first “factory” is the easiest to speak of the IT and services sector.

Through the 90s, and now, the IT sector gave Indians as new sense of confidence and pride. This continues. And, will continue. But, beyond IT, we now see other services emerging as global players. Healthcare, media, entertainment, education, training to name only five. Its in the air. The trend is showing India is emerging as a “services factory” to the world by 2010, we shall have consolidated our position and extended into new services.

2. The second factory to the world is science and technology, a much neglected activity in the past in the private sectors but not so in the public sectors, eg, space, nuclear, defence. Today and tomorrow, closely held developments will be shared and the R&D infrastructure built around the country, will be used for the economy, industry, society. With the flow of science and technology talent, in India and from overseas, this is an area of growing importance, supplemented by international organizations and corporates locating their R & D centers in India.

We may never have thought of it but it’s a reality in the making.

India is a factory to the world in R &D and science and technology. The Mashelkars of the world in India are making this happen

innovation. New developments. Even in energy, which is huge national problem.

3. The third factory is in manufacturing. Here are four pictures :

1947 – 91 : Protection. No competition, Consumer taken for a ride.

1991 – 96 : Liberalisation. Competitive growth (7%). Fin. consumer benefits statement.

1997 – 2002 : South East Asia Financial. Crisis. Stagnation. Pain. Fear of China. Restructure, downsizing. Joint ventures breakup. Go it alone.

2003 – 2005 : Competitive, confident. Enjoys global. Looking outward. Investment overseas, takeovers.

And, an additional picture in Manufacturing.

By policy, India vacated the world markets to China in the SME sectors – low technology labour intensive, mass scale production. We restricted growth. Limited by national dictat. But, this is changing now, though late – Industry by Industry there is derservation.

The manufacturing sector has come into its own. Best practices are embraced. Learning is high. Indian manufacturing is set to begin with as the second factory to the world, after China, but, soon, to challenge China because of their own constraints.

4. The fourth factory is entrepreneurship. A resource we always head. From the 19th century. Suppressed in the 47 – 91 period

gradually unleashed in the 90s with no habit of seeing the bright sun of competitiveness especially in the SME sector.

All changed now. Eg. SMEs are today grouped around the country in 48 clusters, learning together, sharing best practices with CII counselors and Japanese experts.

At a time when the world ageing India is going to witness an explosion of new, young entrepreneurship making this another factory to the world. The factory of entrepreneurs and the best are the young full of energy, excitement and enthusiasm.

5. The fifth factory is the area of food and agriculture – heavily regulated and controlled in the past, just beginning to be reformed and freed. Every aspect was regimented. Production, distribution, export, import. Prices, sales, slowly, India is unleashing what is a huge private sector enterprise. Where over 600 mn people operate. Where 640,000 villages function. Where technology and physical infrastructure have been neglected. But, where IT, telecom and physical connectivity is actually happening. Where food processing industries will emerge and India will be a food factory to the world at a cost, quality and competitiveness.

6. And, now, the final the sixth factory SKILLS. Yes, I know we have shortages. I know we can't find the right person with the right skill and the right quality of skill. But, the future will be different.

Across the country, a new silent movement has started. The National Skills Development Initiative.

The training and skilling of people, even those who are school dropouts. Not just giving them the training but also certification that the skill is to global standard. And, this is not a government initiative.

So, we have the people, especially the youth. We now have the training and skilling input happening. And, over the next few years, a new factory is being built – the factory of skills. And, the world will either source the skills or import the skills. Their choice.

Whats common to these 6 factories? Whats unique? Whats special?

It is not about governments

It is not dependent on government

It is not government led.

This is the new paradigm of India.

Its non-government

Its private sector. Its NGOs. Its Civil society.

People and organizations are getting on with what they want to do and achieving their objectives without excessive dependency on governments. So, its dependent on us. Our will. Our skill. Our talent. Our ambition. Our vision. And, as governments steadily

continue to step back and give Indians more space, the six factories – and more – will happen as a steady process.