

Not “ Fortress India” but “Global India”

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Its really such an exciting time in India – a new excitement which started in June 91.

I think of it as India 13 years old just getting into our Teens – in this phase of liberalization and globalisation. Not “Fortress India” but “Globalising India”.

And, that’s the mindset change.

From a culture of low ambition to outrageous ambition.

From a culture of “keep the world out” to getting on the plane for a round the world Trip.

Its June 91.

Our General elections are over.

Rajiv Gandhi has just been assassinated traumatizing the many who were looking forward to his second innings as Prime Minister.

We are sitting in front of our TV sets. The new Cabinet is to be sworn in. On our screens I see a familiar face waiting quietly to be sworn in – Dr. Manmohan Singh – as Finance Minister of India and P Chidambaram – as Commerce Minister.

This was the day the Berlin wall fell in India, for our economy, our Industry, our business.

15 days ago, when the new Cabinet took office, this dream team is back, Dr. Singh as PM and Mr. P Chidambaram as Finance Minister.

Its like a fairy tale come true. Truly a fairy tale.

And, with them a cabinet enormously capable in experience, governance and administration.

And, the new Coalition has a formal institutional structure, a first ever.

Mrs. Sonia Gandhi, with a hugely enhanced stature, will chair the National Advisory Council to consult, communicate and coordinate the coalition. She will bring people together, she will keep people together.

And, the Left. The Communist party.

Let me digress to make a point.

Its September 2001 – the CPM Chief Minister of West Bengal calls to ask me to become chairman of a major Petrochemicals corporation in West Bengal which is a Joint Venture of – The Chatterjee Group of USA – Tatas and the Government of West Bengal.

I protest.

I know very little of Petrochemicals.

I have lived in Delhi since 1974, not in Calcutta.

I am private sector.

I lose the argument.

I become chairman of HPL in October 2001.

A sick, losing, bleeding company.

Today, it's a strong, profitable, prosperous company.

My experience with the Communist Marxist government of West Bengal has been both positive and amazing.

They are reformist.

They are promoting FDI.

They are supporting the private sector.

They are not a worry.

Lets now talk policy, Reforms and Change

People don't like change especially when it is unexpected and sudden. That's human nature.

Change in our own situation, our families,

Our businesses, our governments, our countries

This is natural.

This is the same every where with everyone.

Look at the last 13 years: 1991 – 2004. Continuity in Reforms. Evolution in Reforms. The pace varies but the Reforms are on track irrespective of changes in government.

I like comparing US turnpikes with Indian roads.

We have a long way to go in the road quality area in India.

Our road surfaces are often bad.

We have potholes in the roads.

The roads narrow often to slow down traffic.

So, the pace of our Reforms varies – the speed changes – depending on the quality of the Road.

The speed also is slow because of our culture. We are cautious, conservative people and yet entrepreneurial. But, we are comfortable driving at a steady speed. That's us! And, the CMP of the new government is a 5-year Road Map. Not a 100 meter race. A marathon. That's the context.

Mahatma Gandhi said something 70 years ago which just fits with what I mean:

“There is more to life than speed”

So, our Reforms will continue but will now go beyond Trade, Investment, Tariffs, Taxes.

Reforms will extend strongly to Food and Agri – the Rural Economy – Infrastructure – Education and Health – and all these will create huge new business opportunities.

So, how is Indian Business feeling?

My personal experience with business is more than 40 years. My entire working career.

There was a time when business thought very small. Very narrowly focused. Very protectionist, very scared of the world outside.

Indian industry started making a small U-turn in 1985 and pushed ahead from 1991.

The change has happened. After years of pain, restructuring, downsizing, learning, there is new confidence because of achieving competitiveness to global benchmarks.

Not just the IT sector which gave us, in India, the first taste of global success. But, also manufacturing.

Indian manufacturers are now investing in China, Europe and the US and are doing fine.

They are enjoying globalisation.

They are not whining for protection.

They are not, like Oliver, asking for more.

I have worked for change

This change has happened. But, we do wonder, somewhat in amazement, when our teachers seem to be running scared – today – of globalisation, our teachers in the US.

Let me conclude with listing our three principal challenges and 3 scenarios:

The 3 challenges are:

1. Inclusive growth and development covering 600 mn. people in 600,000 villages and releasing massive new purchasing power and new business opportunities.
2. Replicating the Telecom story of 2 mn new phones per month in railways, roads, airports, ports and power. It will happen.
3. Exploding Education and Healthcare services using Technology.

And, I am reminded here of Franklin D Roosevelt's second Inaugural Address in 1937; he said:

“The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have little”

And, the 3 scenarios are:

- a) 7% GDP growth per annum stretching to 8%
- b) Further freedom for the private sector
- c) Greater business opportunities and therefore steady increase in FDI.

The landscape in the mind of India has changed.

Because of many many reasons but most of all because 54% of our population is less than 25 years of age. Because 79 MPs in the new Parliament are less than 40 years of age.

Because there is a new Energy, new entrepreneurship, and new excitement that has taken hold of India.