

Business Standard

Tarun Das: Positives aplenty in the India Story

Entrepreneurship and self-employment are exploding; consumption, investment and savings are at a new high

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It's always a good time to look at India, where it stands and how it is doing. The news has been depressing and the question, "Is India in bad shape?" keeps coming up. Let's look at 14 issues. First, 2011 is a year of elections in India. The Election Commission will be under heavy pressure. Is there need for worry? No, because India's Election Commission is seen to be the world's finest example of such an institution. In fact, expertise in election management has become a new feature in India's foreign relations — a positive for India.

Second, for young Indians — the bulk of India's population, over 500 million — the job outlook has improved. Entrepreneurship and self-employment are exploding. Consumption, investment and savings are at a high and there is a sense of confidence and optimism. The young are moving ahead, including in the area of public service. Third, the global financial crisis touched India. Growth dipped but did not crash. Conservative and careful financial policies ensured that a crisis was avoided and India's economic stability and resilience has been the envy of many. Growth is above 8 per cent, earning global respect.

Fourth, how does the world view India? India's economic and military capability is seen as a source of stability. This sense of India is unique, and the value of the goodwill, enormous. A large country of over one billion people, with the second fastest growth rate, one of the truly large emerging economies — but, very importantly, not a threat. Fifth, there are countries driven by the State and others driven entirely by the private sector. But, there is almost no nation which is driven by both. India truly is a mixed economy — public and private sectors co-habit together. It's a unique story where many strategic sectors still remain government-owned, with a large growing private sector.

Sixth, India, through 44 years after Independence, kept the private sector under strict control. In 1991 began the process of paradigm change. In 20 years, the private sector has come in from the cold, and now occupies centre stage. Transformation has taken place within a short period: Competitive, confident, investing globally, turning companies around and creating more jobs.

Seventh, in 2007, the PM outlined a 10-point social charter for industry that included affirmative action. There is a debate on whether to mandate such activity or leave it for

voluntary action. So far, it is the latter. The good news is that affirmative action by industry is actually happening. It's slow, but, it's steady and growing. Eighth, secularism has again come to the forefront and communal harmony is largely a reality. It can improve. Indians are by nature peace-loving and have remained true to their nature, not provoked by extremist elements. Internal peace is crucial to development and Indians are centrists, essentially moderate.

Ninth, Prof C K Prahalad had, after research, put the number of young people who need to be skilled by 2022 (India@75) at 500 million. President Pratibha Patil mentioned this figure in her address to Parliament, a national structure headed by the prime minister — the National Skills Development Corporation (NSDC) — was set up and an apex-level adviser to the PM appointed. The skills movement has gathered momentum, already making a difference.

Tenth, there have been very few terror attacks since 26 November 2008 (a crucial issue in a troubled region), thanks to new, quality leadership of homeland security. Though there are still miles to go in ensuring a strong, efficient police force and many other security challenges, India has come a long way since Mumbai 26/11. Eleventh, concern for the environment has moved centre stage in the last 18 months — to conserve India's natural resources, and ensure development and growth simultaneously. Challenges of an unprecedented nature are being addressed, sometimes with shock therapy.

Twelve, technology and innovation are creating a new focus to bringing the future closer, faster. The Unique Identity project is one example. There are others. Technology is impacting transparency and development and also helps to deal with corruption. Thirteen, the media is free, vocal, outspoken and highlights wrongdoing. It sometimes goes overboard with competitive sensationalism, and is sometimes subject to other influences. But it is playing a key role in the India story. Fourteen, the recent leadership of the Supreme Court has brought faith back through its independent interventions and judgments, providing a role model for all levels of the judiciary.

There must be other positives. This is not a complete list. And, of course, India is nowhere near its true potential. There are many negatives. Governance, crime, inequality, management, corruption, implementation, delays, health and education are some of the 'Everests' the nation has yet to climb. It will be a long haul. But, an assessment of India has also to recognise that there are many positives to the India Story in 2011. And, some of these will actually help address the pending challenges.

So, it's a time for balance when looking at India. Like any other country, it's not all positive, not all negative, but a mixed picture with positives that truly bode well for the future. And the recent scams and crises will actually spur further positive change. India-2011 still looks good.

The author is former chief mentor, Confederation of Indian Industry