



Rs 1 lakh car and inclusiveness

SINCE Ratan Tata announced that a small car priced at Rs 100,000 would be designed and manufactured, and would be available to the public, there have been several different kinds of reactions and responses.

First, disbelief — it just cannot be done. It's impossible. It's out of the question. It's technically not possible. Ratan Tata has lost his senses. Second, emulation. Other automotive companies have announced their intention to make and sell a small car, a low cost car. Perhaps not as low cost as the Tata car but somewhere near and certainly, below the price of cars currently on the market. Third, criticism tantamount to saying that that Tata Rs 1 lakh car will add to environmental problems, climate change concerns, etc, and also that the transport congestion will get worse.

A motor car owner is supposed to be financially well-off. Owning a car is symbolic of some wealth. The Cadillac and Rolls-Royce are the most telling symbols of the car-wealth nexus. Generations of people, starting from the west and now including the east, have bought into this philosophy. What on earth will a Rs 1 lakh car do to this belief, concept, tradition? Blow it sky-high?

India is repeatedly chanting the mantra of inclusive growth and inclusive development, which means that everyone in India needs to benefit from, and participate in, the 9 to 10% growth opportunity and its benefits. This is not just the government's slogan. It has also become the industry's chant. In fact, industry can probably claim that inclusive growth originated from an industry institution.

The renowned researcher and change leader, Professor C.K. Prahalad, has also taught the world about 'the fortune at the bottom of the pyramid', i.e., that there is purchasing power and demand at the lowest income levels of society and this is a fortune to be made if products are designed creatively at low cost and sold at low prices.

The Rs 1 lakh car is surely all about this! It represents out-of-the-box strategy and courage to make a car which very low income earners in India can buy and use. It makes in-

clusiveness because no one is urging, for a moment, that car manufacture be stopped or curtailed because of environment concerns. And big cars, which are relatively bigger gas guzzlers, are not being attacked. A new small, low-cost car, which is likely to be relatively more fuel efficient is being questioned and commented upon in connection with the environment. Is there more to this than meets the eye? How can anyone criticise the small car and not the big car or cars as a whole? Additionally, why not question anything on wheels which consumes petrol or diesel?

The same responses and arguments would apply regarding the comment about adding to transport and traffic congestion.

Actually, this is a time for celebration. Celebration of a new product developed, which was considered impossible earlier. Celebration of a low-cost motor car. Celebration of a car becoming available to lower income citizens, thus giving them a new profile and a sense of pride in themselves.

Celebration of inclusiveness in practice with a symbolic demonstration effect, which will fire all kinds of creative initiatives and innovation. Celebration of partnership because many must have collaborated to create and develop the 1 lakh car. Celebration of a huge new challenge met successfully, earning pioneer status in the world.

Celebration that it's been done in India, by Indians, for Indians. And finally, celebration of one man's vision and courage turned into reality in a very short time.

When one played competitive tennis during school and college, there was a code which is still followed. Congratulate the winner but commit to win the next time around by playing better. It was known as sportsmanship. This can apply to business also.

On 10th January 2008, all automotive companies as well as other inventors and innovators may like to line up to congratulate Team Tata and to promise that they will try to do better and compete with the 1 lakh car.

(The author is chief mentor, Confederation of Indian Industry. Views are personal.)



GUEST COLUMN

TARUN DAS

- The Rs 1 lakh car represents out-of-the-box strategy and courage to make a car that very low income earners can buy
- It's a tool for social transformation the likes of which India and indeed, the world, has not witnessed up to now
- It's time to celebrate inclusiveness in practice, to celebrate partnership

clusiveness reality in a way — going beyond *roti, kapda and khunkaar*. It's a tool for social transformation the likes of which India and indeed, the world, has not witnessed up to now. And, if it is a steady, reliable, safe product, in keeping with the Tata tradition and values, then this car is going to be in demand in developing countries of Asia, Africa and Latin America where most of the poor live.

The criticism that it is not feasible — which was the first reaction — is now put to rest. No one talks about this anymore. The car has been designed, is ready and will be on public display in January at Auto Expo in Delhi. So, it is a physical reality and others are now striving to make small low-cost cars according to a variety of announcements from time to time. This is a positive trend and all to the good. Tatas are clearly first off-the-block but competition is being promised and the consumer will be the beneficiary and the winner.

The other concern expressed relates to the environment. This is the most surprising crit-