

# Turning India Towards The Future

by Arun Shourie

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Mrs. Doshi, members of the Doshi family. Sir, I must say that when I read about Lalit and when I learned about the personal qualities that he had and the work that he had done, it was with great ambivalence that I accepted to come here. Naturally, it is an honour for any one of us to have the opportunity to speak in honour of such a person. But the ambivalence comes that such good people are cut down in flight. And therefore, one would much rather that the occasion had not arisen. In looking at his birthday, he would have been a year younger than I am today. He would have still many years in front of him for productive contributions to the State, to the future of the State. Everybody who has written about him at the time of his death, similarly every body whom in Delhi I have met who knew him, the distinguished seniors who knew him personally, Mr. Pradhan who selected him, they have all spoken the same sorts of words about him. His goodness, his reaching out to help others, his nobility, this word nobility has been used repeatedly to me by persons who worked with him in the Ministry in Delhi and that such a person should survive in our system, is one of the tributes to many senior people who select and promote such persons.

It is also something that is a reason for residual faith in our state structure and it is by such persons that administration and other things are known today. The phrase that came to my mind, when I read about Lalit and heard about him, was this phrase, it's almost a highest compliment that can be paid, it was a phrase about Goswami Tulsidas. It was said that Goswami Tulsidas is not famous because he is a poet, but the poetry is famous because Goswami Tulsidas writes it. Similarly, that such a person is not famous, not remembered today, because he was Secretary, Industries or he established and furthered an important institution or he was Joint Secretary in Delhi, or he helped craft a vision for the industrialisation of one of the most progressive States of

our Country. But those posts are valued today because such a good person occupied them. That itself is a mark of some distinction in our country today, and I will tell you the contrast by recalling to you what in one of the things that was given to me, an article that was written by Mr. S. Shankar Menon, who was then the principal secretary of the Government of Maharashtra. He wrote that “*since Lalit was both efficient and honest, he had no enemies*”. That is a very surprising statement. There must have been a sterling third quality that an honest and efficient man should have no enemies must be because of another endearing quality. Because it is in India so difficult to do good work today, to do simple good work. I know persons, who try to do no more than merely try and help the handicapped and the enormous difficulties that they have to wade through.

One of the ways in which we can honour the memory of such persons is to honour them when they are alive. To be forts around them, because I have seen that a system which comes in to the kinds of ways in which we have come, in our system some good people are picked up individually and cauterised and put in quarantine so to say, and thereby rendered ineffective. It is what we need in India is what I feel that used to be during the independence struggle. And that was, a conspiracy of the good. The evil fortify each other. The evil justify each other. Terrorists of one kind create the legitimacy for terror of an other kind. But the good are not networked. It is easier to pick up the good one by one. Therefore, it is very necessary for us that when such officers are amidst us, we must be the forts around them. It is important for fellow officers. It is important for influential people. It is important for the media itself. Ever so often the media also goes in for this spit and run. And thereby, I have seen over the last 25 years, so many good persons come helplessly and say, that this is what kind of rot that is been written about us. What can we do? I think that’s an important living memorial that we should try to institute that value amidst us.

The second feature I feel is that we must craft, we must construct dikes. We must create dikes against the political class. I do not agree with the sweeping criticism that is done of the

bureaucracy. I feel that such work that is been done, that the country is being protected is often due to the various bureaucrats, that we condemn all day in and day out. But in many States, in Bihar for instance, in may other parts of the country the back of Civil Service has been broken, by frequent transfers, by confidential reports being perverted and things of this kind. You will be surprised that in many States, where I have got a survey done, the tenure of a Collector now is between four to six months. Even in the Central Government, the tenure of Central Government Secretary is now just about eleven months. Ninety-five per cent of the Chief Executive Officers of Public Sector Enterprises retired within eighteen months of their appointment. How can you expect results or a vision or perseverance? But we don't attend to these institutional safeguards that are necessary. Why should it not be the case that a person when appointed to some place will stay there for three years, unless there is such a grave impropriety on his behalf and then the reasons for transferring him must be recorded in writing. So I would urge, one is be forts around them when they are in service, second is try and set up dikes, by which those whose instinct it has become to undermine the bureaucracy, to weaken it, to make it into a subservient instrument, that their hand can be stemmed, that would be just as this function is, just as this award is, just as the wonderful work that the Foundation is doing, that would be a living memorial to such a fine officer.

Sir, the topic that would certainly have been approved of by Lalit, because from what I learnt, all his work was about our future. Now there are several, I will mention four or five elements about the future, which are so striking that Mr. Godrej, Mr. Mahindra and others they live that future, but we should keep it in mind; especially our policy makers and our legislators should keep these features in mind.

The first is the incomprehensible pace at which everything is changing and will continue to change in our life times. A product today has a life of no more than eighteen months. An entire new technology has a life of no more than thirty-two to thirty-six months. It's overtaken by a

completely new technology. Internet, now you have wireless applications and things of this kind. This mapping of the DNA. The project did not start till six/seven years ago. Almost all of it was mapped in the last one year. Half of it was mapped in the last four months. That is the pace at which, things are being done.

Second is the nature of change. That is leading to sorts of activities and sorts of challenges which we had not imagined earlier. Today we are always fixated on imports of goods and services. The total import of goods or export of goods, the same thing, the total trade in goods in the World in a year is a fraction of the transactions in foreign exchange speculation in a single day. And these transactions are Typhoons of such an order that no Central Bank, no consortium of Central Banks is able to hold them, to stem them, to regulate them. We are not attuned to that kind of activity. Today, Britain earns more from the export of Rock Music than it does from the export of steel. Today an average automobile in the United States has about a thousand dollars of steel in it, and about three thousand dollars of electronics. It's a different world.

The third point is, these changes affect every aspect of the existence of a Society. Ceramics is not just about cups and saucers. The same ceramics technology drives Turbine Engine, Jet Engines, of a kind that give, let's say, 60% more propulsion to fighter aircraft and thereby affect defense. It is the same ceramics technology which provides those little tiles for Discovery, the shuttle that goes up and comes down and does not burn out in those intense temperatures. We are worried about crop and land use, and per acre productivity. There is almost, no doubt that in next 25 years this would change completely because much of agriculture would be done in factories. The drugs and pharmaceutical industries would change in the same way. In the sense that animals are today being crafted, which will produce that particular type of genetic material which will attend to a particular ailment. In a magazine called "The Futurist", I was reading of sheep, which will just produce insulin. And twelve of those sheep will be enough to produce enough Insulin to

meet the needs of Diabetics of the entire World. Now if I set up a factory for Insulin and that technology comes into being 15 years from now, I can't keep crying that my factory is not working to full capacity.

A fourth feature of this is that it is not going to stop. The pace of change, this nature of change is not going to slow down. It is certainly not going to stop by our heckling, or by our not participating in it. The World today is not a bus from which we can say just stop, I want to get off. The only way to survive is to participate in this and to excel in this, so that you can really outdo the others. Nor are any ethical considerations, each time there is a great change, great ethical debates start about the new technologies and about the new changes. But in fact, those who cannot change, those who are not masters of the new technology, those who cannot do the new things, are the ones who keep talking about the ethics and the World goes and embraces the new technology. And our heckling is not going to stop WTO. It is not going to stop China from going in, its not going to stop China from adopting new technology and becoming either a friend or a threat to us.

There are several consequences that follow from this. For instance, it is a habit among us to continue always to talk of first principles, to go on debating first principles. Patents, Intellectual Property Rights, are still an issue in India. My colleagues in the Rajya Sabha were surprised, when I drew attention to what Dr. Mashelkar has been pointing out, that while we are still debating first principles, China enacted the Intellectual Property Rights Act in 1992. And since then, when he gave the figures in December, 1997, China had set up 5,000 institutes to train people in reading and writing patents, not in technology, just in reading and writing Patents. We correspondingly have not been able to set up, have not yet set up, a single institute to do that. *Hamare kahane se kya koyee rukega?* When China has done it, will it not have enormous life and death advantage over us? An advantage itself, an enormous advantage, is just a fleeting movement. *Faiz ki line hai. Pal bhar ko amar, Pal bhar me dhuan.* Smoke in a moment.

Today, much of our software in the lower end solutions, that we provide what you call the office assistants that we provide to Western firms, for instance in Software. One of the reasons we got a leap start is that we know English. Let's look at the Chinese, they do not know English. But, the pace at which, and with the single mindedness with which China is now teaching its graduates English, with Chinese brought from America, so that they can have American accents, is such that in three or four years, when China has mastered English and with the enormous distance which they have already set up between themselves and us in hardware, this (our) advantage is going to just become smoke.

So unless we plan today it will just disappear in no time. Even the Software Engineers that we have, Software thinkers that we have, it is a highly mobile skill. Today we take great pride in the fact, new IT City Parks are coming up in different parts in Bombay, in Pune, in Bangalore, in Hyderabad and in Chennai now. But you see that in Europe there is today a shortage of 1.2 million software workers. Even a country like Germany, which has been so hostile to foreigners, is opening its Visas. What does that mean? It does not just mean opportunities for our graduates; it also means that one advantage we had, this cache of talent can suddenly go there in six months, unless we create for them the same incentives and the same work environment, that the World will give them. So advantage is fleeting. Secondly you have to work like the devil to keep even that single advantage in your hands for even two to three years.

Sir, there are just two points further about the present that have a bearing on the future. One is that the World has become a much more heartless World. Many of us would remember who are acquainted with debates about the development in the 1960s. Even in 1960s, Pradhan Saab would remember, Sir, how many times these resolutions used to be passed and what significance used to be attached to the target of official development assistance, that it must be 1% of the GDP. It was never attained. It was .5%, .6%. Dr. Rahul Prabesh and others of UNCTAD, used to write furious

books on trying to attain that target. But today nobody even talks about that target. Famines and dealing with famines in Ethiopia that is just a social event for some musicians to raise some money.

So in these circumstances, just because we are poor, nobody owes us a living. It's a great warning also. In fact, if you slip even a little bit and go into the clutches of an organization, let us say of the IMF, then all the things that you are trying to do, they will squeeze you on those. If you want to do something on CTBT, take an independent stand, if you want to do something about nuclear weapons, on none of them will they spare India. They are waiting for that opportunity. And that is not a perversity on their part. We cannot make a grudge out of it. That is how they perceive their own interest to be. Gandhiji used to say this, why are you blaming the British? Why are you complaining about them? *Arey bhai*, they are just acting on their own interest. We have to protect our interests.

The final point about the future, Sir, is that institutions, attitudes, policies, centres of gravity, all of these things have to change at the same lightning speed. As Bill Gates says of thought. Because technology is changing at that. And technology is driving and determining the balance of forces in the world tomorrow. There has been a shift in India. I know that, even in the seventies, industrialists would always be trying to not to offend governments. Today when any government takes a particular step, it first tries to see, will the industry think it is sufficient or not. So there is a change in shift of gravity in our society, but the governmental ways and everything else must change at that particular speed, that we have not internalized. With these few features, I will sketch seven or eight things, which I think we need to do, to meet this future.

The first is, please turn our faces, our thoughts towards the future. If you look at any list of publications of India, let us say in the last 10 years. If you go to our Book Shops, don't look at the books that we have imported from abroad. Look at our own writings. Most of our books are about

the past. They are about the present and they are just a dilution about the problems of the present, that we have to shift. If you see our Courts, they are mired in implementing laws merely by legalisms, laws which have a relevance to the 1920s and 1930s and the mind-set of the judiciary which is a relevance to the past, to the issue taken in itself, rather than seeing how it fits in with the challenge the country has to face in the future for tomorrow. The debates in legislatures, whether they are about the past or about the present, it is very difficult to detect; they are certainly not about the future. So please turn towards the future.

Second is, as a dilemma of this is we should stop this great facility that we have. We should give up this great facility we have of just describing problems. Turn from the past and present to the future. Turn in our public discourse and in our research work from merely describing problems to solutions. From solutions set out, with sweeping generalizations to solutions worked out in detail and from solutions from what should be done to how it should be done. The Americans and all do lot of work, which seems *Arey kis cheese par baat kar rahen hain*. How an organization should be structured? How a meeting should be structured? What brain storming means, what are file techniques, which make brain storming an effective encounter? How we should have these reconfigurable organisations. How an organisation should be modular, what virtual firms mean. These seem almost like, *jaise ki bal ki khal koi udhed raha hai*. But actually all of it is about how that particular thing is to be done. In India we don't pay enough attention to this fourth thing also.

I think the second point is to face this future with confidence. Because, in almost in every sphere, where a great challenge has been posed, actually in a surprisingly short time, Indians have been able to work out an alternative to it, whether it is the Param Super Computer, whether it is the cryogenic engine, whether it is Sanctions. There is no other society in the world in which in a small state like Punjab 21,000 people should have been killed by terrorists and we should not have had a single Hindu-Sikh riot. *America ke chhe aadmi World Trade Centre may blow up hue*. In Nairobi

12 persons. And just see, in our case the society is so much more resilient. In Kashmir 15,000 persons have killed by terrorists. Not a single Hindu-Muslim riot. Kargil has come and gone. Sanctions have come and gone in the last year and a half. No effect on our society, on the psychology of our society.

So we can face this future. But what we have to get out of it is this industry which has developed in India, of frightening ourselves about the future. Many friends here would remember the articles that used to be written about the Green Revolution. How the green revolution is going to turn red, because productivity of land will increase, land will become valuable, therefore the rich will buy up the land. Poor will become landless labour. Revolution will come. Actually productivity did rise and land became so valuable that nobody would part with it. *Ab hamare Punjab mein dekhiye*. All those learned articles were written in our weeklies, newspapers, and journals. The same thing, the same cycle has been repeated on W.T.O. *Arey aap neem ke datun loge tho multinational ko royalty denee padegi*. And 100 other, this hallucinations. This miasmas we create to frighten ourselves about the future. In American management, as you know, they have these two descriptions. One is 'I.R.I' i.e. Instant Rejection Instinct. Often civil servants, not like Lalit Doshi, have this. You take a proposal, first reaction *nahi*. The ten reasons why it cannot be done. The other thing which I find much in our public discourse is a disaster detection instinct. *Agar yahan se chaloge*, if you start walking and you continue walking you will come to the Sea, then you will drown. Therefore, don't walk. *Kisi aane wale toofan ka rona rokar, nakhuda ne mujhe sahil pe dubona chaha*.

So we have to grow out of this business of all the time frightening us about the future. In fact, there is a Russian proverb, we should make that our motto, our working motto, in public discourse, "*when difficulties come your way, put them to work*". It is an important motto for India. I often feel that actually when you have such a weak political class as we have in India, talking of

the political class as a whole, which is so enmeshed in the cobwebs of its own slogans, for that political class, often they have to be pushed by a break down to do the right thing. I know that a person like me, when many of this great liberalisers were ardent followers of socialism, and as a young boy writing my doctoral thesis in 1965, I wrote on all these things, on the need for liberalization at that time. We were condemned as followers of Rajaji and all sorts of other things. And by the late 70s and certainly through out the 80s it was evident that, that needs to be done immediately.

But it was not done and it was only the bankruptcy on external account in 1991, when this physical image of some gold being sent to the Bank of England to get only 300 million dollars, which was probably the imports of just 4/5 days. That shocked the country enough and that gave the political class that courage to do the right thing by way of delicensing. *Issi tarah, waisa hi bind State and Central Finances mein aane wala hai.*

Well you can look upon it something that should be warded off, it is a great problem that is going to come up. But in psychiatry it is said, every break-down is a break-through. In State finances already almost thirteen States have had to enter into memoranda of understanding with the Central Government, because they are not able to pay salaries to their own staff. Development work *to aap chhodiye, Kya hoga.*

Now to convert the prospective difficulty into an opportunity, I think two things are very necessary. One is to change our attitude to these difficulties - to view them as potentials. The second thing that needs to be done is to work out and publicise and internalise in the minds of the people, the solutions that will be required at that time. When the Labourite Fabian ways were changed by Mrs. Thatcher, it was not just that she did it overnight. In Britain a number of policy groups had been set up, institutions had been set up, which had worked out in detail the solutions

for tomorrow's Britain. So that, when that break down came and that opportunity came, all of that was available. In India, unfortunately, we are not doing enough of this kind of preparatory, anticipatory intellectual work in detail on policy matters, which we should do.

Sir, the third thing that follows is that this kind of an attitudinal change and habit has to be internalised at all levels. I will give you two instances. One is that we must do these at all levels. In the education system, I know the debates on syllabi. But actually they are irrelevant debates. What we need to do is, replace European history and even many of this British history that we keep stuffing into our children. There are now so many courses on lateral thinking, on problem solving, on creative thinking, we should introduce those types of courses. From the very start and equally important is what Bernard Shaw used to say, educate your rulers. We don't do that enough. It is very necessary, whenever you can get a legislator, whenever you get a judge; whenever you can get politicians of various kinds please acquaint them with where the world is. Where it is going, what it means to run an industry with labour laws or other kinds of restrictions that there are today. How those are inimical to the interests of labour itself.

Fourth, that is plan far ahead for the future, because, as every body knows, technology cannot be mastered at once. It is a fortuitous thing really that we have got a good start in information technology. But Information Technology today is already becoming merely an instrument. It is the new fountain pen of computation and communication. It's just the new device. The Newer Technologies, on Bio Technology, you just look around our Universities, even our Institutions of Technology, which is the one which has that has a special school on that new technology? On genetic engineering, many of these are precisely the kinds of things for which Indians will be very skilled. One of the great advantages today is that the world is not too far ahead of where we can be in one year. But five years from now, if we try to start, the world would have gone too far ahead already. On nano technology, on robotics, so we must see, as Michael Porter

and others have been saying for fifteen to twenty years, see what are the technologies that are going to be dominant twenty years from now and work backwards to see of those technologies which are the three or four in which we will be the world leaders. Then create what MITI and other organisations did in Japan, co-operation and co-operatives in an institutional team sense, in a mission mode sense, of industrialists, of various kinds of governmental research laboratories and others so that you have that group, that upto the competitive stage of the products, they co-operate and do that basic research and then it is farmed out to whoever can run forward with it in producing new types of products. I think there are three more points that I have urged. Of these, the first is you know, one of the basic problem that has come in India is that we just don't want to face the facts.

You don't want to face the fact that your culture is not what you believe "*Yun na tha, fakat hamne chaha tha yun ho jaye.*" It was not that, it was just what we wanted it to be. On Bangladeshi infiltration, General Sinha writes in a report to the President of India that large parts of Assam are not in India, administratively today. There is a demographic invasion, it is a security threat. We don't want to face it [communal]. Should the Governor write a report like this? Recall him, we don't want to face that fact. That in April 1992 when I published the entire text of the report the IB, Home Ministry, under Mr. Narasimha Rao's government, had estimated that the Bangladeshi magnitude in India is over 2 crores. We don't want to face it. Pakistan, that its singular aim, its identity is in the one that will destroy India, "*Hamne Puchkar kar kuch ho jayega?*" Pakistan has abandoned the two nation theory. It says South Asia is one, it is one nation to be under Islam. *Hum dekna nahin chahate, koi hame communal na keh de.*

State finances *ka kya haal hai? Main aap ko ek figure deta hoon.* In the 9<sup>th</sup> five year plan, the state plan size was Rs.3,50,000 crores. The states were to contribute as their contribution to financing that plan was only Rs.3,870 cores, just about 1%. Did you know that in the first 3 years

what has been their contribution? As against this paltry amount of Rs.3,800 crores that they were to contribute, they have contributed *minus* -80,000 crores. But, we don't want to face it. So on one thing after the other in the Central revenues, one half of the total revenues of India are going towards paying only the interest on past debt. I know because of disinvestment, I have to go through these public sector corporations and it is just amazing what we have reduced them to. There is a controversy as you know going on about six public sector units in West Bengal. Sir, their total sales are Rs.9.9 crores, less than Rs.10 crores. Their losses last year was 20 times that. National Textile Corporation - 119 mills, fully working how many? 25 mills! Paid-up capital – Rs.560 crores; accumulated losses Rs.7,350 crores. Last year – total sales Rs.600 crores; loss Rs.1,090 crores. Wages that are being paid to workers, it is not their fault, but that is the system, which we don't want to face. If you take Central Public Sector undertakings, mills that are closed, absolutely shut, we are spending on the wages of those workers over Rs.1,000 crores per year. But, if you say some thing, *arrey* anti-labour, anti-labour. Actually, just calculate the number of schools, number of drinking water pumps which would have been set up with that kind of money. It is our weakness which we dress up as if we are doing something for workers or the poor, because we are unable to do the right thing. Neither our newspapers nor other people in public life want to show up these facts in the face of the people *Arrey bhai yeh halat ho gayi hai, zara sudhariey*. So my point is, face the facts.

Finally, Sir, it is that India is being immobilised by small groups, because one of the characteristics of India today is that the State as a whole, the State structure as a whole has become very weak vis-à-vis its own employees. Therefore it is not able to deal effectively with them and therefore it is not able to prepare to do the right thing, whether it is in the reform of state electricity boards with annual losses of Rs.20,000 crores. So you will have to go through these valleys of strikes and other things which you will have to deal with in the *Thatcherite* way when the second

phase of reforms actually commences. At that time it is very necessary for us to stand by governments that stand up to bullies.

And correspondingly governments must see that public sympathy today is not with small little clutches of people. If the U.P. electricity engineers go on strike, the public is with the government that stands upto them, provided it will stand up to them. Mr. Ashok Ghelot was not recognised as a great leader when he became Chief Minister but because he stood up to a strike for 3 months of government employees, people said “*Arrey yaar yeh tho leader hai*”. So government should remember that encouraging example and at the same time we must remember that yes that people have got so accustomed to what our Chairman was saying about what he has put up in his banner about working so hard or hardly working, that to yank them out of those ways they are going to flay about their hands and you will have to deal with them in that way.

Sir, the final point is to continue to reduce the role of the state in our society; this is one of the great changes which have begun in India over the last ten – twelve years. It is not possible to reform many things after a while. I see files going on, disciplinary case going on for 18 years that comes to me. Files in which a small thing takes seven years. Not only in dealing with the public, not only in dealing with the policy issue, but in dealing with themselves. So the example to remember in that is of how many committees were set up to reform the DGTD to speed up industrial licensing and none of them worked. Similarly how much time and effort has been spent on restructuring of Public Sector enterprise. Heavy Engineering Corporation of Ranchi, seven times restructuring packages given. Today, accumulated losses Rs.1,100 crores. So some times things just can't be reformed and the only way licensing was reformed was when it was actually given up.

The kind of decentralisation which is necessary is for the role of the state to decentralise from the State, not from Delhi to Patna of Mr. Lalloo Yadav. But decentralised from the State to society, which is healthy, which is vibrant, which can actually take us forward. For doing all these things that I have suggested, I believe there is a consensus in India. When people are in power they do one thing. They do the same thing wherever they are in power. CPM in West Bengal will take credit for attracting foreign investment but it will shout at Manmohan Singh in Central Parliament. But when the same party or anybody else goes out of power they then start opposing whatever they have been doing. So there is a consensus on these matters, on the great matters that face India today, but it is upto the people of India to force our leaders of all parties to act on that consensus which is actually there. I feel that is one of the important tasks for citizens today. By doing all these things by turning ourselves to the future, by being a fortress around good officers, by creating networks and conspiracies of the good, we will make Lalit Doshi a living presence among us.

Many Many thanks for asking me to come.