

# CHALLENGES OF TRANSFORMING INDIA

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**FORUM**  
OF FREE ENTERPRISE

*“Free Enterprise was born with man and shall survive as long as man survives”.*

**- A. D. Shroff**  
Founder-President  
Forum of Free Enterprise

# EDITORIAL

Forum of Free Enterprise and The A. D. Shroff Memorial Trust were extremely fortunate to have Mr. Amitabh Kant, CEO, NITI Aayog, to deliver a lecture in memory of the late Mr. A. D. Shroff on October 14, 2016. The speaker thought it most appropriate to offer his convincing views and reflections on **“Challenges of Transforming India”**. Doubtless, after twenty-five years of economic reforms, India is once again seen to be at the crossroads of major socio-economic transition. She has now to steer and calibrate deftly her next level of vision-mission-action plan and strategy. She has been internationally acknowledged as a ‘bright spot’ in an otherwise hazy and uncertain global environment.

How we leverage such favorable positioning and our intrinsic stable macro fundamentals and determinants of high growth and development over the coming decade/s is going to be a very fascinating story. Surely, Mr. Amitabh Kant is most admirably placed to provide his perceptions and insights on shape of things to come.

At the very outset, he focuses on the proposition that *“India is growing at 7.5% per annum, but the challenge for India is to grow by 9 to 10% per annum year after year for three or more decades...”*.

This is an ambitious goal, but perfectly achievable, and for which purpose the author has outlined a set of positive features of the economy as well as government's various ongoing programs and required future direction of policy actions.

Needless to say, the discernible readers of this booklet would find all these features very promising. Thus, the author talks about the window of opportunity being unleashed through demographic transition; government's efforts and commitment towards creation of business-friendly environment – the improving Ease of Doing Business; imperatives of enhancing social indices – and efforts to make States compete in learning and health indicator outcomes; the growing space for FDI in host of sectors; creation of ecosystem for potential young entrepreneurs –the new ethos of Start-ups; the contribution of social innovation and entrepreneurship; et al.

He also refers to challenges of creating innovative and sustainable models of organization – for dealing with the movement of vast number of people from rural to urban areas; growing pressures of urbanization; issues of CO2 emissions; focusing on gender parity and women's growth; and so on.

There is contextual emphasis on infrastructure development and the need for *“bringing private-public partnership back to the table”*. Besides, he

also delineates on the huge potential of *Make in India*, *Skill India*, and a 'quantum jump' in the *Digital India* Program.

All in all, this is a comprehensive account of emerging and futuristic scenario of India, including the manner in which the challenges of her transformative changes need to be resolved. Interestingly, before concluding his inspirational talk, Mr. Amitabh Kant recalls India's glorious past and seeks to exhort the people at large that "*if India has to grow at 9-10%, we will have to recreate that creative spirit of 19<sup>th</sup> Century or 14<sup>th</sup> Century where every Indian felt proud about their country and created that exhilarating atmosphere...*" Effectively, he acknowledges the fact that there are limitations of what the government *per se* can do, be it with respect to *Swachh Bharat Abhiyaan*, building up Smart Cities or effecting any other socio-economic transition. Peoples' wholesome participation is an essential condition for the success of such and many other developmental programs of the government.

This and several other powerful messages from this booklet would certainly leave an indelible impression on our avid readers, be they youth of this country, students, researchers, people from business and industry or veteran professionals, politicians and people at large –

they certainly have lots and lots of thoughts and insights to reflect upon and drive the process of transformation...

**Sunil S. Bhandare**  
*Editor*

# CHALLENGES OF TRANSFORMING INDIA\*

**Amitabh Kant**

*CEO, National Institution of  
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**M**r. A. D. Shroff was a visionary in many, many ways. He was a man ahead of his time, a man of great vision, great outlook, great perspective, a man who had built the Indian Industrial Sector and brought about a change in the financing of India's Industrial Sector in many remarkable ways. He was instrumental in the creation of the ICICI, and I think the best testimony to his vision and outlook is the fact that the Government of India has decided to do away with the planning process now. The National Institution of Transforming India is actually

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\* *Text is based on lecture delivered in memory of the late A. D. Shroff under the joint auspices of Forum of Free Enterprise and The A. D. Shroff Memorial Trust on 14th October 2016, in Mumbai.*

being asked to lay down a fifteen-year vision for the country, a seven-year strategy plan and a three-year action plan. This, in many ways converges, integrates and coincides with the perspective which Mr. A. D. Shroff had, of a fifteen-year vision plan for India.

That is why, in my view, he was far ahead of his time. At that particular point in India's history, he was one of those few who propagated that the Government's role should be very minimal and that private sector has a very critical and major role to play. The Government should assist the private sector in creating wealth through rapid industrialization. So I am particularly honoured and delighted to be here to deliver the A. D. Shroff Memorial Lecture in memory of a man who is very rightly called, '*The Titan of Finance and Free Enterprise*', by Ms. Sucheta Dalal.

India is growing at 7.5% per annum, but the challenge for India is to grow by 9 to 10% p.a. year after year for three decades or more, to be able to lift its population above the poverty line. India is passing through a window of demographic transition with 60% economically active population. This, to my mind, is the biggest social economic transition that has taken place across the world. These are periods when very unique transitions and transformations take place. For example, when



Mubarak assumed power in Egypt in 1960, the average age of Egypt's population was just around 44-45 years and the infant mortality rate was 353 out of 1000; but, by 2011, the life expectancy of its population had risen to almost 79 years and the infant mortality rate had fallen from 353 to 21 out of 1000. Mubarak couldn't grasp the radical changes that were taking place in Egypt and the Arabs quid pro quo. Given that such demographic transitions are a period of radical transformations, the real challenge for India is not merely to grow rapidly but also to create jobs for its young population.

For India to transform itself, to grow rapidly and sustainably, the following challenges must be taken care of.

First, it is very complex and complicated to do business in India. We have added a lot of rules and regulations, procedures, paper work year after year and made it very difficult for private enterprises to create wealth in society. And therefore, one of the key items on the agenda of Mr. Narendra Modi when he came to power two years back was to make India business-friendly. In the last two years, 1159 redundant Acts have been scrapped. Today, you can register a company in one day, a medium and small enterprise can actually do its registration in approximately 2-3 minutes. States have been directed to ensure that all forms are available at

one place, rules should not exceed two pages and acts must not exceed 4-5 pages. Earlier there were 9-11 forms for imports and exports. They have been brought down to just three forms and deregulation has taken place across the board. In the World Bank's 'Ease of Doing Business' list, India's rank has jumped up by 12 positions. But, we should not improve just for a better ranking with World Bank; we need to improve for our own sake so that India can grow rapidly, sustainably.

While the Government of India has acted on many an area of growth to make India business-friendly, it is important to understand that India is a very large country; its area is more than that of 24 European countries plus 30,000 kilometres. So, India can actually become business-friendly only if our states become business-friendly. While the Central Government was framing acts and rules, the State Governments were also adding rules, regulations, procedures, paper work. We need to substantially reduce paper work in the states.

Another challenge is to make our states business-friendly. Last year we created a 100 points index to rank states on their 'Ease of Doing Business'. The evaluation was done by a team from the World Bank and the rankings were displayed on the public domain. Gujarat ranked first and Andhra Pradesh ranked second. Some of the

best performing industrial states like Maharashtra, Tamil Nadu and Karnataka, performed very poorly on the 'Ease of Doing Business' scale. On the other hand, mineral-rich states like Jharkhand and Chattisgarh, had introduced financial reforms and thus they ranked 3rd and 4th respectively. This year we will be conducting this competition amongst states which have scored over 344 points. States like Maharashtra and Telangana are taking strong measures to improve their performance. Given the level of competition, Gujarat will find it hard to maintain its top rank in the 'Ease of Doing Business' rankings. The Chief Ministers of many states are conducting regular consultations to improve their performance and avoid being humiliated in public. The public should question states that don't perform well. By creating a sense of competition, we have initiated a big change in the performance of states.

In my view, improvement in social indices is a must for India if it aspires to grow at the rate of 9 to 10 %. Today almost 41% of the children who are enrolled in our schools cannot read; a student of Class V is not able to read Class II book in his mother-tongue. We have been able to provide access to education but the quality of education has fallen very badly in India and we need to improve this in a very big way. Focus on learning outcomes is critical if India has to grow. India cannot utilize its demographic dividend with this low quality of education, such

high levels of infant mortality and maternal mortality cases. Learning from the impact of the 'Ease of Doing Competition' this year, states will compete on learning outcomes and health outcomes and the results will be put on the public domain. This will promote accountability amongst states. One of the key things is to make India business-friendly and this is more or less what Mr. A. D. Shroff had dreamt of, that the Government should act as a facilitator and catalyst for growth and development and this is exactly what we are doing.

The second challenge is to make India an integral part of the global supply chain. A closed economy cannot grow sustainably. In the last two years, we have taken measures to liberalize our economy in a very big way. We have opened up India's defence, we have opened up India's construction sector, we have opened up India's insurance, pension fund, railways, e-commerce; all these sectors have opened up for Foreign Direct Investment. Today India is one of the most open economies in the world. Although many Indians do not realize this, we are the most open economy in the world and in the last two years our Foreign Direct Investment (FDI) has grown by 53% at a point of time when across the world Foreign Direct Investments have fallen by 16%. We are today the Number One destination beating China in Foreign Direct Investment and our FDIs have also grown in a very remarkable manner.

The more you open the economy, the more FDI will come in and FDI puts pressure on domestic industry. It puts pressure in terms of technology and thus, our local industry will also evolve and grow over a period of time.

The third critical challenge is to create an environment for young people to grow and evolve and establish start-ups of their own and this is one of the key things that has been done. India is the 3rd largest base for start-ups and young entrepreneurs in the world; we have close to about 19,000 start-ups; their market value is in the region of 75 billion. But, by 2024-25, we will have close to 100,000 start-ups. From 20,000 start-ups they will touch 100,000 and their market valuation may cross 500 billion. The government has ensured that start-ups do not have to get into the process of getting approvals; one can get the approval on a mobile app. There are no taxes for three years. The government has ensured that there is no *inspector raj*. It has tried to create an ecosystem which will support these start-ups and also created a fund of funds which will assist and support those that take off so that many more start-ups, many venture funds can come in; many start-ups can grow.

The start-up movement will be huge in India. It is not that Flipkart or Snapdeal are taking on Amazon,(despite Amazon pumping in a lot

of resources into this country), but the start-up movement has grown much beyond this. A lot of unique things are happening in the world of education, in the world of health and social innovations, in agriculture and so on. Take the case of a young girl called Pranshu Bhandari who launched a start-up called CultureAlley. Last year, she developed an app called, 'Hello English' that has actually taught nine million Indians how to speak English. She realized that Indians were not interested in learning Mandarin or Japanese, but it was English they wanted to learn, and so nine million Indians learnt to talk English through the app she developed.

In the health sector there are some remarkable start-ups. Consure Medical for instance, has done some unusual work in the field of stool management. They invented an adapter which actually enables a patient to manage stool problems in a very hygienic manner. Today, their technology has been taken over by All India Institute of Medical Sciences, Apollo, Fortis and also all the top hospitals across the world. This is a start-up which impacts about a 100 million people across the world and 16 million people in India. This start-up has brought together almost 15,000 doctors and patients with every single problem. One can get access to doctors online and get oneself treated.

Practo is another remarkable start-up; it is a unique medium which is being improved upon. There is one more called Portea started by a well-known entrepreneur. Today, Portea has given jobs to approximately 8000-10,000 people who provide help and assistance to people who suffer at home. It has created jobs which provide health assistance to a vast number of Indians based on some of the best treatments from across the world at home.

These start-ups have created jobs, they have used technology to develop a start-up in the field of social innovation. When there were floods in Chennai last year, the State Government was not able to provide help and assistance to those who were distressed; they could not provide food packets. It was Social Cops, a young start-up, which came to the help and assistance of the Tamil Nadu Government. They were able to track people who were impacted and provide them food packets at different places. Almost 25,000 people assisted through Social Cops.

While a lot of work is happening in the field of social innovation, a lot of work is also happening on our campuses. For example, a start-up called Inshorts has been developed by a drop-out from IIT, Delhi. Inshorts gives unbiased news in 60 words. It does not have an Arnab Goswami to give his opinion but in just 60 words it provides plain information. Today

it has a billion page views and 5 million downloads daily.

Another company called Ather Energy was developed in IIT, Chennai. Young entrepreneurs have assembled a smart electrical scooter called SV40. A number of start-ups have done unique work and among them are some which have been started by women.

Shanti Mohan, who runs LetsVenture in Bangalore, has put together 18,000 investors across the world. Any start-up can access them, get information and therefore these investors can finance all the start-ups in India through LetsVenture. There is a completely new ecosystem of start-ups. Many of those who belong to my generation do not realize this but there is a different energy, vibration and dynamism in India's youth and so, we need to harness that energy. These are the people who are not dependent on the Government, so we need to provide greater impetus to ensure that these people continue to grow and flourish.

The fourth point is that actually in the last 4-5 years a lot of innovation is happening in India and close to about 1400 multinational corporations are relocated here, with their Global Innovation Centers, in Bangalore and Hyderabad; whether it's IBM, Cisco or Microsoft and all the top pharmaceutical companies. Multinational corporations always



have their global innovation centers and R&D with their Head Office. But, these have been relocated more to Bangalore and Hyderabad and all these companies are now innovating for the rest of the world from India. India has become an Innovation Center. Microsoft Bing was innovated in India, Honeywell's Electro channel was innovated in India, if you look at the design process of Mechatronics, it was innovated in India. The ECG machine which GE sells for \$1500 in India was sold for \$20,000 in the United States of America. In India they make it for about \$1800. In United States of America they charge \$20 for taking an ECG, while in India they were able to do this just for \$1, because of great combination of innovation entrepreneurship and the skill. We need to spread this innovation and skill from Bangalore, Hyderabad and Pune to many other parts of India, so that India's momentum of innovation for the rest of the world continues.

The fifth big challenge, according to me, is the challenge of organization. In the next three decades we will see close to 350 billion people getting into the process of organization. If you go by the latest Mckinsey study, by 2050 you will have 700 billion Indians getting into the process of organization; 700 billion Indians means that every minute as I speak here today, there are 30 Indians who move from rural to urban areas. 700 billion Indians means that by 2050 the challenge is that we'll have to

create close to two and a half Americas to be able to survive and if you are not able to do this, let me caution you, every single city of India will become a slum. And, therefore, urbanization has to be very innovative and sustainable.

When the West was progressing, the process of urbanization ended across America, it ended across Europe, it is nearing completion in China, but in India it has just begun. It has just begun and we will do more organization in the next 5 decades than what we have done in the last 500 years. And therefore, the challenge for India is that when the western part of the world was urbanizing, land, gas and water were all cheaply available. Because they were cheaply available you could live in New Jersey, travel to New York, you could guzzle gas, Americans made cities for cars and not for people. The American car companies bought over the railway companies and destroyed them so that cars could be sold. They created highly polluting cities like Atlanta where 98.2% of the people travel by cars. Nobody travels by public transport there.

Now, in India, when we are urbanizing, the process of urbanization has ended abroad, when we are organizing, land, gas and water are all very scarce commodities. You will not get land, thanks to Mr. Jairam Ramesh's Land Acquisition Bill, you will not get water, you will not get gas, these are all scarce

commodities and therefore the challenge for India is, if we are supposed to copy the western model of organization we would need four Planet Earths. We don't have four Planet Earths, we have only one planet and therefore if India needs to do very innovative and very sustainable organization.

The challenge for India is that if it is able to do very creative and sustainable organization it will create models for the rest of the world who can follow this model. It is important for India to do it on account of its commitment to sustainable development growth, on account of its commitment to the Paris Climate Agreement. We are committed to a very radical reduction in terms of pollution and for this it is important that we need to do very innovative and sustainable organization.

It is important to understand this because we are sitting in Mumbai; cities actually account for just 3% of the earth's land mass. Cities account for about 55% of all the people in the world, but by 2030, 75% of the people will live in cities. Cities account for almost 80% of the global GDP. 80% of the global GDP comes from cities but cities also account for 82% of the CO2 emissions. Cities are centres of growth, they are centres of creativity, they are centres of dynamism and therefore all the wealth gets created in cities and India must manage its

cities better before they become slums. India must do a new form of organization.

This is the first government which is talking about urbanization through its 100 Smart cities program because India has been a very reluctant urbanizer. We have not had any politician who came from urban areas as Member of Parliament. Before independence we had C Rajgopalachari and Rajendra Prasad who were Mayors and Motilal Nehru was the Mayor of Allahabad. But post-independence we had no politician who was a Mayor. Devendra Fadnavis is the first Chief Minister who has been the Mayor of a city. If India has to grow at 9-10%, cities will become one of the key drivers of growth. The way we manage our process of organization will be one of the biggest challenges that India will be confronted with.

The next point I want to make is that it will be very difficult for India to grow at a rapid pace. Here women don't play a very major role in India's growth story. If you look at India's GDP, currently, only 17% of India's GDP is contributed by women, yes, only 17%. In terms of numbers it's 24%. Even in Sub-Saharan Africa the women's contribution is 39% and the global contribution is about 41%. So if you take women's contribution, India will have to bring in gender parity to its growth process. If you're not able to bring gender parity in your growth process it

will be very difficult for India to grow at those rates because women's contribution is important. If we are able to bring gender parity by 2030, we will add close to 700 billion US dollars simply by focussing on women's growth. And therefore to my mind, gender parity is very, very critical and women will play a very major and critical role. I am saying this because if India has to grow, if our objective is to grow we must understand this, that in 1975 India and China were at the same level of growth, exactly the same level of growth. Both were reluctant urbanizers.

China's political process was based on its peasantry, they used to focus on peasantry up to 1975. In India all through post-independence era, we focused only on rural development. We did not have any schemes for urban development. The Jawaharlal Nehru Urban Renewal Mission five years back was the first scheme which came for urban development.

But, in 1975 China broke away from it and said we will do new urbanization. They went and created about 140 new cities. They grew at 10% plus for three decades. Now if you grow at 10% plus you double your GDP in seven years' time. So they kept doubling in seven years, kept compounding; the compounding power of growth is enormous! Therefore they have grown so rapidly. Now India's ambition is to grow. She has a per capita income of

US \$1580. The difference between 7% growth and 10% is very huge. We are growing at about 7.5%. If we grow at 7% by 2032, our per capita income will be US \$ 4000, from \$1580 we will take it to \$ 4000. But, if we grow at 10% we will take it to US \$ 6800. That is the difference if we grow at 10% till 2032 year after year. There will be no poverty in India by 2032! We would have lifted all our population above the poverty line.

So, to my mind there is no substitute but to have single-minded pursuit of growth. Now single-minded pursuit of growth means several things. I spoke about education, I spoke about health; nutrition is very important. We can't have a young population with 39% of the children stunted. Therefore nutrition is very important and unless you focus on social sectors it will be very difficult for India to rapidly grow at those rates. Now what are the challenges for India to grow? These are critical things, these are critical factors and it is important that we grow in this manner.

First and foremost, if India has to grow at those rates for a long period of time, India must be extremely consistent and there must be clarity of policies. This clarity of policy must be there for a very long period of time. India's policy regime quite often lacks predictability, lacks consistency and lacks clarity over a period of time. In the last two years for the

first time we've tried to bring in some predictability and consistency of policy and therefore my belief is that we should be able to continue to focus on this predictability, consistency and clarity of policies, particularly where taxes are concerned. With taxes it's very important that if private sector comes in and you are going to grow over a long period of time, you need an absolutely predictable, consistent and clear regime.

It is also very important to understand that no country in the world has grown for long periods of time riding on the back of Foreign Direct Investment alone. India may be doing that right now but if India wants to grow for long periods of time it is very important to grow on the strength of your own industries. So, there's a need to entice India's enterprise, India's companies, India's entrepreneurs and the top companies of India to invest in India. Today it is important to do this, bring back the spirit, to revive the animal spirit of investing in India to Indian entrepreneurs.

We have created a capacity, but, there are several issues we are confronted with. We are confronted with the issue of non-performing commercial assets in our banks. We need to clean up those non-performing assets and make our banks extremely dynamic in performance. Therefore, there is a need to bring in professional management to our

banks and clean up the non-performing assets so that credit off-takes from our financial institutions increase. The credit off-take is very low right now. Therefore, there is a huge need for making and driving this energy of ensuring that investments take off in India if India has to grow in the long term. China was not dependent on FDI alone; a lot of Chinese companies had also invested in their growth.

The next point is that it is important that we bring in factor market reforms. We have done reforms across several areas but it will be very difficult for India to grow for long periods without factor market reforms and that is labour and land. Our labour laws are totally outdated; almost 79% of our employment is coming from small and medium enterprises.

We have to plan big and on a large size and scale. Nobody produces only for the domestic market. India must think of penetrating global markets and therefore you need to plan big in size and scale. For that our labour laws remain quite outdated and antiquated. They were made in the socialist eras of 1970s. They are not designed for India growing at 9 to 10% and therefore each state needs to reform its land laws and its labour laws, if we want to grow and expand in infrastructure.

If we want to grow and expand in many of these areas, liberalizing the labour laws is crucial. The



next very important point is productivity efficiency. India still remains a rather inefficient economy. At the peak of its growth Japan was growing almost 39%, and its contribution to GDP came from productivity efficiency. When you carry out factor market reforms your productivity efficiency improves and therefore Japan grew at 39%. Productivity efficiency accounted for its growth. Therefore, India must learn to benchmark them against international benchmarking. When Korea was growing productivity efficiency accounted for almost 42%. But when China grew for a long period of time productivity efficiency was almost 79% of its increase in GDP. Therefore productivity efficiency is very critical for India. It is not that we are producing more, it's not that we are selling more but it is how well and productive we are; what level of productivity we are doing and therefore across all sectors of our manufacturing, across all sectors of our production we need to bring in productivity efficiency and that is very critical.

The next point is that if India has to grow at those rapid rates, infrastructure of world class standards is important. Without top class infrastructure it will be very difficult for India to grow. You know we've seen some really good infrastructure; we created Mumbai airport, Delhi airport, these are all top class infrastructure. We are creating a lot of roads. A lot of infrastructure is actually happening in the

field; in the last two years the total amount of road work contracted has grown by 42%. Railways have grown by about 79%. A lot of work is happening in railways. As far as Civil Aviation is concerned, a lot of new airports have been created across Tier 2, Tier 3 cities. Our Civil Aviation sector is growing at about 21%. Our power sector has done very well. Our coal production has gone up very rapidly. But, all this is happening right now on the back of public sector investment. Public sector investment is driving investment.

But, in the long run it will be very difficult for Government to keep spending money on infrastructure. Two very important things - one is that you need to bring private-public partnership, which has fallen apart, back to the table. Unless and until there's proper risk-sharing and private people are able to invest and private people are able to create wealth from infrastructure creation, it will be very difficult for India to grow at those rates.

So, a lot of our contractual agreements need to be very well prepared and very well structured and a lot of projects need to take approvals upfront and put them out in the market. In the long run, world-class infrastructure with private sector participation is very important for India.

The Government has come out with a vast number of new initiatives. It has come out with *Make in India*;

it has come out with *Skill India* and also the *Digital India Program*. It will be very difficult for India to grow without using technology; to make a quantum jump. You know India is the only country in the world which has a billion mobiles; India is the only country in the world which has a billion biometrics data.

By 2025 we will be the only country in the world with a billion Smart Phones. A Billion Smart Phones! A Billion Biometrics Data! We will be the only country in the world to have the Universal Payment Interface. And what the Universal Payment Interface does is it has got a backward linkage to all the banks. So actually in using your biometric to do all your transactions, what the rest of the world does by using debit card, credit card, ATMs, physical banks or posh machines, all of this will become redundant. In India, by using the Universal Payment Interface with biometrics, all this can become redundant. Universal Payment Interface is like a highway without any toll/ any taxes, anywhere; no blockades, straightaway do transactions. It is possible for India to make every man, every woman today a walking ATM using his biometrics. And therefore India is on the edge of a very big technological revolution. And actually we have the potential that by 2025 India can become a totally cashless, totally paperless society using technology.

Therefore, this technological jump holds the key to India's success. We must go all out to embed our cities, our process of organization with technology. We must go all out to make India a completely digital nation. We must go all out to make India a cashless and a paperless society and we must go all out to really push the spread of internet all across India. That will really transform India. Many of the successes of Mr. Modi's programs, *Make in India*, *Digital India* etc. are dependent on one single thing, how fast and how rapidly we can spread the internet across the country. This really holds the key to the success of India's growth process.

The last point I want to make is that whatever we do, it will be very difficult for India to be a 21st Century nation growing at 10% as long as our institutions are of 19th Century. So we need to transform our institutions. The transformation of our institutions is important. We cannot become a great nation with a huge imbalance of doctors; our Medical Council of India is totally antiquated, our UGC is antiquated, our AICTE, which governs technical education, are all designed for the 19th Century and not for 21st Century India. Therefore, we need to redesign our institutions. That work is work in progress. At NITI Aayog we have completely restructured the new Medical Commission of India which is a public domain. We have asked for the public's opinion. UGC and AICTE are next on the list.

Transforming of institutions is important and unless and until we create dynamic institutions it will be very difficult for India to grow; that is a very major challenge. We need to create dynamic institutions of tomorrow. India is growing at 7.5% but I believe, as the Deputy Prime Minister of Singapore at the NITI lecture said last month, we are batting too many singles. We need to hit a lot of fours and a lot of sixers for India to grow at 9-10%. Without fours and sixers it will be very difficult for India to grow.

And the last thing is that you can have any institution, you can take any political governance, you can bring in any structural change, but at the end of it all it is about the people of India. And unless the people of India are determined and are absolutely convinced, they will not transform. You cannot expect the Government to do *Swachh Bharat Abhiyaan* as long as you keep creating dirt and filth all around you. You cannot have Smart Cities without smart Indians. Every Indian must believe in this, have the optimism to make India grow and unless and until that happens, a lot of this growth process that we are talking about, about challenges, about transformations, will not happen. I would end this by narrating about Amir Khusrau, a 14th Century Indian writer. He was a Muslim of Turkish ancestry and he wrote in Persian. At that time in Delhi, India was at the zenith of its power and glory; his work contributed almost 60% of the global growth. He

had always counted himself to be the luckiest man alive to have been born in India and to have India as his motherland. And he wrote how exhilarating the atmosphere of 14<sup>th</sup> century India was.

There cannot be a better teacher than the way of life of its people.

Therefore if India has to grow at 9-10% we'll have to recreate that creative spirit of 14th Century or 19th Century where every Indian felt proud about his country and created that exhilarating atmosphere. Without that, it will be very difficult for India to grow at 9-10% and to transform.

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*The views expressed in this booklet are not necessarily those of the Forum of Free Enterprise.*

*"People must come to accept private enterprise not as a necessary evil, but as an affirmative good".*

**- Eugene Black**  
Former President,  
World Bank

# FORUM

## OF FREE ENTERPRISE

The Forum of Free Enterprise is a non-political and non-partisan organisation started in 1956, to educate public opinion in India on free enterprise and its close relationship with the democratic way of life. The Forum seeks to stimulate public thinking on vital economic problems through booklets, meetings, and other means as befit a democratic society.

In recent years the Forum has also been focusing on the youth with a view to developing good and well-informed citizenship. A number of youth activities including elocution contests and leadership training camps are organised every year towards this goal.

Membership of the Forum : Annual Membership fee is Rs.250/- (entrance fee Rs. 100/-). Associate Membership fee Rs. 150/- (entrance fee Rs. 40/-). Students (Graduate and Master's degree course students, full time Management students, students pursuing Chartered Accountancy, Company Secretaries, Cost and Management Accountants, Cost and Works Accountants and Banking courses) may enrol as Student Associates on payment of Rs. 50/- per year. Please write for details to : Forum of Free Enterprise, Peninsula House, 2nd Floor, 235, Dr. D. N. Road, Mumbai 400 001. Tel.: 022-22614253, E-mail: [ffe@vsnl.net](mailto:ffe@vsnl.net)

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