

India: The Whole World is Watching



India is teeming with entrepreneurs and a bustling, youthful market. Entrepreneurship, driven by young Indians, will be the first driver of resurgent India. However, to reach its true potential, it needs to peer inwards. India has a lot going for it. But whether it fulfills its potential depends on whether each one of us is willing to be the change we want to see. The whole world is watching, and the hard task of introspection cannot be put aside any longer. We are on top of the world's agenda. But whether we can use the world's attention to our advantage will depend on us.

On a blisteringly hot afternoon in Gurgaon, I stopped at a roadside seller of premium fruits: litchis, strawberries and plums. A young man burnt brown by the sun grinned through the car window: 'You've got to try the litchis,' he said. 'They're tiny bombs of sweetness.'

Despite the heat, and the obvious salesmanship, I chuckled. The lad had a turn of phrase. 'Bombs of sweetness,' I repeated, relishing the taste in my mouth already. 'Yes,' he said, 'eat one, and your lips will have to be prised apart.' At this point, I confess he had me

good and proper. I bought 2 kgs at about ₹60 above market price. No wonder that I was never cut out for the accounting profession, but the poet-entrepreneur in me was proud I had put my money where someone else's mouth was.

A few days later, I was going through the second round qualifiers in the Startup India Funding Challenge, a startup competition run by the Stern Fisher Angel Network and CNBC TV 18's Young Turks. A breathtaking array of companies dealing with high technology, environment, social issues—sometimes all at the same time, struck my eye. I was exhilarated, invigorated and, despite all the gloom in the national news, optimistic that the future of India was bright. Our country seemed to finally have started building the bridge from the street-sharp roadside vendor living by his wits and dying unsung, to the polished professional bringing the same skills to bear on changing the world. I thought of the words of Moojin, the wise truth seeker in my book *Start-up Sutra*: 'An entrepreneur is someone who stands up to the universe, to all that has come before, and says, "I can know your essence, I will change your expression," and realised that India now had such entrepreneurs, and that entrepreneurship, driven by young Indians, will be the first driver of resurgent India. There are three reasons why I believe this to be the case:

1. The timing is right – India needs entrepreneurs like never before. Our problems are too complex



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to be solved by the government or big companies, our billowing workforce too voluminous to be absorbed by them.

2. The conditions are favourable – We have a critical mass of consumers with purchasing power densely packed in cities and certain rural pockets, close to a billion mobile phone subscribers (and about 500-600 million unique users), and a fast developing telecommunications infrastructure with a national optic fibre network on the anvil.
3. The people are ready – There is a growing supply of graduates and professionals like Chartered Accountants, who march in step with global trends, are impatient with old myths and attitudes and want to build the world of their dreams.

We obsess over our macroeconomic data—the high current account deficit, the burgeoning telecom import bill set to exceed the fuel import bill by 2020, the inflation, and forget that lack of productivity and innovation at the level of the micro-enterprise lies at the heart of the doom and gloom in the macro-economy.

So there is hope. And yet, much remains to be done to build our entrepreneurial ecosystem. We need more angel investors, incubators, accelerators and venture capital firms. There are 2,25,000 angels in the USA and 300 angel groups. In contrast, there are only a few hundred angels and a handful of active angel groups in India. Further, the angel groups operating in India typically invest large amounts of money, of the order of ₹1-2 crores, with each investment being done jointly by a group of investors. Given this pattern of investment, firms which need 25 lakhs to a crore get left out. It is time for new angel groups to emerge. Such angel groups will serve an important public purpose besides fulfilling the commercial goals of their members. And the entrepreneurs they seed will create the technologies, business models, products and services that will transform India.

‘India is not even the tenth-largest economy in the world,’ my list-crazy 10- and 8-year old sons announced with glee. We were in the middle of one of our silly fights in which I say ‘India is the greatest’ over and over again, and they say ‘No. No. USA/France/Brazil is the greatest,’ (depending on whether their focus of the moment is on music/fashion/football). This time I had them. ‘Indians can purchase more things than every other country in the world except USA, China, and Japan. And we may soon be overtaking Japan.’ I waved a headline from the pink press under their noses.

And it’s true. Across OECD countries, growth is slowing down. 1.2% this year, 2.3 % next year. In

non-OECD countries, its holding steady at a much higher rate—5.5% this year, 6.2 % next year. Until around 2020, China is set to have the highest growth rate among the major countries, but it could thereafter be surpassed by India. There are many advantages to being part of an emerging market

1. We are on top of the world’s agenda – The best marketing, engineering and accountancy minds will be involved in finding solutions for our needs. This will enable us to be richer, more productive and help in economic growth.
2. We have access to international markets – We can use access to our market as a bargaining chip to access markets and resources abroad. Closer economic ties with western powers will also follow from closer political ties as the West needs a base in South Asia to address the fast growing ascendancy of China.
3. We can do things right – Much of our infrastructure is yet to be built, so we need not adopt the energy-intensive, environment-unfriendly technologies that early starters have adopted, and will have to phase out sooner or later.

Whether we can use the world’s attention to our advantage will depend on us.

‘If you face a rock in the road, are you going to retrace your steps or try to remove the rock?’ demanded a friend when, sitting at a 5 star hotel, a group of us were bemoaning the lack of accountability of the system. This particular friend meant we’ve got to try to make the system work. And yet, in a society all too keen to take the greasy road to Nirvana (the plush housing complex, not the transcendental state), who is going to hold the system to book? And if the system does not deliver, who is going to provide primary education, health, and other basic necessities that will save us the ignominy of having new and more alarming human development indicators thrown at our smug, 5 star faces?

The system is insufficient because middle-class India has bought the dream of the market and traded everything it held dear in the process. In general, out goes integrity, compassion, tolerance, not to talk of charity. And personal slothfulness in doing good can always be explained by some story of the ethical contortions of a convenient neighbour.

So, India has a lot going for it. But whether it fulfills its potential depends on whether each one of us is willing to be the change we want to see. The whole world is watching, and the hard task of introspection cannot be put aside any longer. ■