

# **India @ 75**

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Thank you so much Tarun. Yes, India@60 - we have accomplished a great deal and we have to celebrate. I know we will have a fun-filled week here in New York. I suggest that as we celebrate, we ask ourselves: What next? As we celebrate India@60, let us remember that all our accomplishments are in the past. *Leadership*, however, is about the future and it is about change. Leadership is about hope. So I decided not to dwell on the past 60 years but to focus on the future. I will focus on *India@75*, not India@60. My focus will be on what we can accomplish in the next 15 years, building on our successes during the first 60. More importantly, what will it take to accomplish these goals during that period?

I will share with you one person's optimism, one person's concerns and one person's approach to building a vibrant and just India@75. I would like start with what India@75 can be. Unless we are clear about the potential it is very difficult to undertake a difficult journey. I believe that India can and should actively shape the emerging world order. This demands that India must acquire enough *economic strength*, *technological vitality* and *moral leadership*. Just economic strength and technological maturity is not enough. We know that the Soviet Union and Nazi Germany had economic and technological muscle. They failed. Morality is an integral part of leadership. I am going to emphasize all three dimensions, in equal measure, in India's march to Her destiny.

## ***The Potential of India@75:***

1. India turns its population into a distinct advantage. India has the potential to build a base of 200 million college graduates – a portfolio of educated people in every discipline. This is just 16% of India's population. Further, I would like to see 500 million certified and skilled technicians. Implicit in this future is universal literacy. This is possible in

fifteen years, if leaders focus on this goal as a priority<sup>i</sup>. Think about what this means. India will have *the largest pool of technically trained manpower anywhere in the world*. This must be the starting point for global leadership. If India fails in its educational mission, the rest of my vision for India cannot be realized.

2. India must become the home for at least 30 of the Fortune 100 firms. I know this is an audacious goal but it is possible.
3. India accounts for 10% of global trade. India can. We have to change our mindset. In fact Indians took a lot of pride when India was not affected by the 1997 Asian crisis. I said, at that time, that it is a sad commentary because if India was connected with the rest of the world, she would have felt the impact of the crisis. India must become connected with the rest of the world- a critical step in influencing others and more importantly, the basis for learning from others.
4. India becomes a source of global innovations - new businesses, new technologies and new business models. The early evidence is already in. Increasingly India is becoming home for new business models - very low capital intensity, extremely low fixed costs, and conversion of fixed costs into variable costs (as in the case of Airtel). The bottom of the pyramid, the 800 million Indians, can become a major source of breakthrough innovations<sup>ii</sup>.
5. India needs to focus on the flowering of arts, science, and literature. Why can't India have ten Nobel prize winners? I want to add that it would be all the better if it was for the work done in India - not just Indians getting the Nobel Prize for the work done elsewhere.
6. India becomes the world's benchmark on how to cope with diversity. It becomes a benchmark for the practice of universality and inclusiveness. India has the opportunity as she is home to all the major religions, 15 major languages and hundreds of dialects, and a complex range of cultures, food habits and rituals – all the diversity one can hope for. If India is not the laboratory to practice diversity and inclusiveness nobody else is. *India is the laboratory to the world*.

One could add to the list. The six big opportunities that I have identified, when accomplished would change the influence of India around the world. India has the potential. If this potential

intrigues you, then we can move on to the next interesting question: How do we get there? What are the principles we have to start with?

### ***Core Principle***

I want to suggest three principles. The first one is relates to the essence of *entrepreneurial transformation*. I know that many would say that the potential of India@ 75 cannot be realized because we do not have the resources. I remember seven years ago I suggested a target of 10% growth. Many in India, including some very senior and extremely knowledgeable bureaucrats said that we don't have resources for 10% growth. The issue is not resources but the *balance between aspirations and the resources*. Every entrepreneur who is in this room knows that it is the conscious misfit between aspirations and resources that creates innovations and entrepreneurial energy. As a country, India must have *high and shared* aspirations. The last time she had a shared aspiration as a country was in 1929 when the leaders of the then Congress party declared their ambition as *Poorna Swaraj*. Since then, India has never had a national aspiration which every Indian could share. A shared aspiration is fundamental for changing India. There are only two ways to realize an aspiration that is greater than available resources. One is to *leverage resources*- get more for every person and every rupee that you spend. Alternatively one could change the game, and change it to your advantage. That was Gandhi's genius. Not the traditional armed struggle against the British, but peaceful Satyagraha. The second principles which is equally important is to realize that we cannot get to the potential of India@75 by extrapolating what we did for the last 60 years, or even the last 10 years. *You cannot get there (India@75) from here (the current state)*. You have to imagine India@75, that I described first and then *fold that future in*. *Folding the future in rather than extrapolating the past is fundamental*. That is the reason I started by describing the potential of India@75. But that does not mean that we go from here to there in one step. We have to take small steps and clear steps, which are directionally right. Some steps may be experimental. We move with small steps but move with a sense of urgency and purpose. Third, do not only focus on best practices. If everybody benchmarks everybody else we will gravitate towards mediocrity. So I suggest a focus on *next practices*. That means we have to amplify weak signals, see a new pattern of opportunity and have the courage to pursue them.

The three principles are simple but powerful as a methodology for revitalizing India. We must start with:

- a. Aspirations > Resources
- b. Fold the Future in
- c. Focus on Next practices.

These principles require us to think differently of both the *here and now* and certainly *about the future*. It forces us to develop a *distinct point of view*. A bold and energizing future for India cannot be created without a *shared point of view*. Incrementalism will not get us there. Let's not just attempt band-aid solutions. The key to becoming a leader in the world must begin by creating a shared commitment to aspirations supported by creativity, innovation and entrepreneurship.

### ***The Developmental Context***

What is the socio-political and economic context in which we have to accomplish this? I believe that during the next 10-15 years the debate in India will change rapidly. I have identified six areas where the direction of the debate and its resolution will be crucial for India to realize Her potential. The areas for consideration are:

1. Shift from abject poverty to income inequality
2. Shift from income levels to life style measurement: the universality of aspirations
3. Changing the price-performance envelope
4. Shift from low tech solution to universal access to high technology solutions
5. Provisioning of products and jobs for ecological vitality
6. Focus on governance

Essentially, these questions taken together force a new model for the economic development of a large, complex and highly pluralistic country like India. This model of development is best described as the Next Practice as this has not been tried anywhere else before on such a large

scale. That should inspire us not to look outside for models (benchmarking best practices) but to look inside India and draw deeply on Her genius (as we did in the freedom movement). We need to invent the Next Practice of economic development. I will examine, below, each one of these mega-trends that provide the context for India’s next phase of development.

1. *Shift from Abject Poverty to Income Inequality:*

India has reduced abject poverty dramatically during the last decade. However, there are a still 380.6<sup>iii</sup> million people in India who live on less than \$ 1/day. It is safe to assume that “abject poverty” defined as living a “subsistence” existence on less than \$ 1/day would be further reduced during the next 15 years. Abject poverty may not be the dominant concern in India@75. However, a more difficult problem will emerge in its place. An important consequence of rapid economic development and globalization of the economy are *the lags and asymmetries in the benefits that results*. Some sections of society will benefit (as those working in the IT industry) and some (illiterate labor in rural India) will lag behind. These asymmetries will create multiple, new divides in society – divides between educated and the uneducated, the urban and rural populations, between regions of the country as well as between ethnic groups. As a consequence, income inequality will emerge as a source of social tensions. This is not a uniquely Indian phenomenon. I must add that it is true of many rapidly growing economies such as China, Brazil, and S. Africa. It is also true of large economies undergoing rapid structural adjustment as in the USA. The Table 1 below illustrates the growing inequality as measured by Gini Coefficient.

**Measures of Inequality:**

	<b>Gini coefficient:</b>				
	USA	China	India	Brazil	S Africa
1985-1986	41.6	22.4	32.0	59.3	
1989-1991	42.7	34.1	32.1	64.0	
1995-1996	45.0	39.0	33.8	60.2	
1999-2001	46.3	42.0	36.0	59.6	
2006	46.9	47.0	39.5	57.2	59.0+
GNI/capita PPP	\$43,555	7,600	3,800	8,600	13,000
200 Rank in	8	81	126	69	121
HD Index (177)					

We can see that income inequality seems to result from rapid economic development and basic structural changes in an economy. The USA is not immune from this either. If we only considered one measure of inequality, income, then India does not look so bad. But consider two other measures; Income/per capita (measured in Purchasing Power Parity (PPP) (to reflect true local buying power) and the Human Development Index which is a measure of the inequalities of opportunities. On both these dimensions, India is at the low end. It is, therefore, not surprising that the masses in India are restless. India has to deal with a potent mix.

- a. Low per capita income
- b. A poor record of developing its human potential –education, and health, that lead to better opportunities
- c. An environment that is creating asymmetric benefits (income inequalities).
- d. India has a very young population. More than 52.3 %<sup>iv</sup> of people are below the age of 25. As of 2025, we will still be a country of young people. 41.8 %<sup>1</sup> of India will be less than 25 by 2025.

India has to reflect on how do we deal with this *combination of issues*. Should India focus on removing abject poverty by *increasing income* and create opportunity for people to move up the economic hierarchy - *income mobility* - and *provide hope*? Or should public policy be focused on reducing *income inequality*? The first order of business, I believe, is to be clear about the *distinctions between poverty (income level), lack of opportunity (income mobility) and income inequality*. Public debate in India does not make these distinctions. As a result, our prescriptions are not sharply focused on the problems that we need to solve. My preference is for creating income mobility more rapidly than we have done so far. This calls for a deep commitment to education and skill building. This also means not just growth (10% plus) but creating jobs fast (10 Million plus/year for the foreseeable future)<sup>v</sup> . Income mobility can be an effective antidote to social tensions arising from income inequality. The answer is not in going back to traditional approaches to reducing income inequality through taxing the rich and subsidizing the poor. We don't want to go back to the communist and the socialist dogma of keeping every body poor so we have income equality. *We want rapid economic growth with high income mobility and lower income inequality*.

This debate gets played out in different ways. For example, I get asked very often whether globalization is good or bad for the poor. I say that is a wrong question. The question that we need to ask is how to *make globalization work for all*. *How we ask the question is extremely important on how we find the answer*. Globalization is like gravity. There is no point in denying gravity. We should defy gravity and build an airplane. *Inclusive growth is not about subsidies. It is about creating sustainable opportunities*. Both India and China are experiencing rapid growth, and both are struggling to find solutions to inclusive growth (India) and a harmonious society (China). India must innovate in this area.

## *2. Shift from Income Levels to Lifestyle: Universality of Aspirations:*

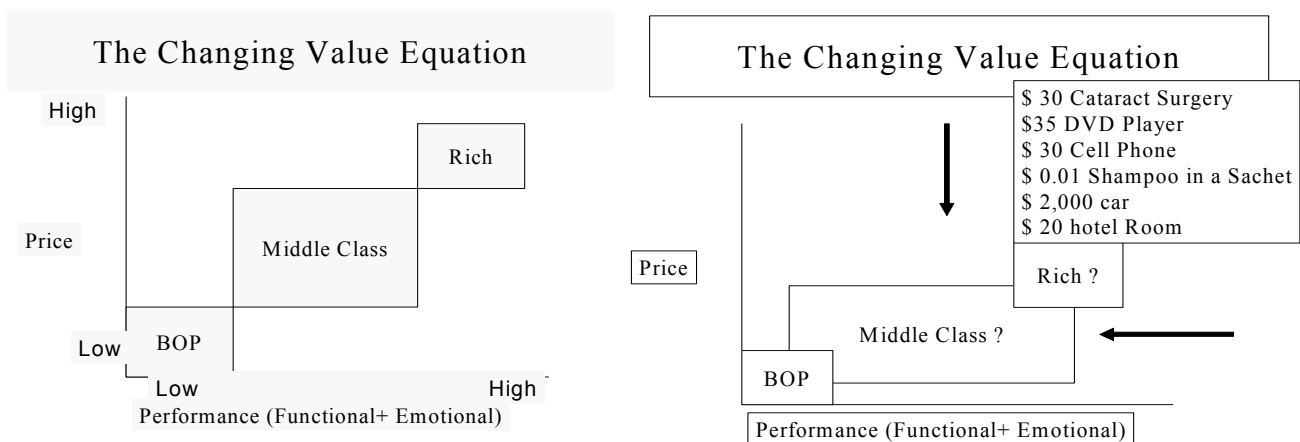
While a discussion of per capita income dominates development literature and thinking, it sheds little light on how people live and what they hope for. The human dimension of poverty - aspirations of people takes a back seat. Consider for example, a life on \$ 2/day. No person lives by herself or himself. People live in families. If we consider a family of five, the \$2/day becomes \$10/day and \$3,650 per family per year. That is Rs. 146,000 per year for that family. We must recognize that the significant contributors to the consumer led growth in India are those who live on \$2/day. The growth in two wheelers, cell phones, personal care products, textiles, private sector healthcare and education owe a lot to these families. We need in India to focus on the appropriate metrics to measure income mobility and inequality. Is it income or life style? For example, if we walk around in Dharavi, a slum in Mumbai, we are likely to find that people inside the hut may have a colour television set. They may also have a cooker, a cell phone, an electric iron, a fan and maybe a small refrigerator. Their lifestyles are very different from what it appears on the surface. It is a slum with no access to modern sewage, drinking water, or toilets. What do lifestyle measures mean and why we have to be focussed on it? 30-35% of India will live in slums in the next 20 years. We can designate them as *dense population clusters*. India needs to reflect on the implications of rapid urbanization even second and third tier cities. Do these developments provide new opportunities to solve the core societal problems or do they aggravate it?



When people come to the cities, whether small cities or big cities, their aspirations change dramatically. They look at the rich as a benchmark. They are exposed to more lifestyle information on bill boards, television and other media. Their income may not change as rapidly as their aspirations change. Therefore, it is the lag between increasing aspirations and incomes that can fulfil those aspirations can lead to a significant increase in social unrest. I suggest a focus on *Lifestyle inequality*, the primary source of social tensions. If we conceptualize the problem as not just income inequality, but lifestyle inequalities, then we may have a solution to the problem.

### 3. Changing the Price-performance envelope:

The combination of problems - low incomes, high aspirations and income inequalities may give one a moment of despair. How can we cope with these massive problems simultaneously? I believe that it is possible. We must focus on a fundamental change in the price performance levels of all products and services. The organized sector- private and public- primarily developed products and services for the rich and the well to do. The poor, the bottom of the pyramid consumers and producers, were below the radar screen of most organized sector. Therefore, we have had a situation where if we drew the price performance (value) envelope of products and services, it looks like the picture below (left).



Traditionally, the poor, the middle class and the rich were seen as distinct segments. Products and services were developed with different performance characteristics. The functional,

emotional and aesthetic aspects of performance differed. Price was based on the level of performance. Detergent which irritated your skin was acceptable for the poor. Cooking with biomass – a regressive fuel- was acceptable. There was no need for LPG for the rural poor. There was an invisible but distinct “price-performance” (value) correlation as we moved from the poor to the rich segments. The emergence of the poor as consumers has altered this picture dramatically. Affordability to the new consumer, without a sacrifice in functional and emotional quality has changed the value equation. The \$30 cataract surgery, \$ 30 cell phone, \$0.01 sachet of shampoo, \$ 2,500 car, \$ 100 computer, \$ 25 hotel room are all illustrations of the dramatically changing value equation. This process is going to be accelerated. This increasing capacity to create life style equality can provide an antidote to increasing income inequality. This trend is likely to be further supported by the changing nature of high technology markets around the world.

4. *Shift from Low Tech Solution to Universal Access to High Technology Solutions:*

Let us consider the dramatic changes in performance improvements in high technology components, as shown below in table 3:

**Price-Performance Envelopes are Changing Faster than anyone Expected**

	1970	80	90	2006
1. Transistors/chip	$10^3$	-	$10^6$	$10^9$
2. Decrease in size of micro-devices	-	$10^{-1}$	-	$10^{-6}$
3. Computing power	-	-	$10^{11}$	$10^{15}$
4. Cost per MIPs (\$1000)	-	-	1	1M
5. DNA sequencing cost (\$/BASE PAIR)	-	-	10	0.05
6. Magnetic data storage (bits/dollar)	$10^4$	-	-	$10^{11}$

Source: Ray Kurzweil

The rate at which the cost/ unit of functionality is changing in high technology implies that the poor can afford products and services incorporating the latest technology - be it a cell phone or

an iPod in a very short period of time. Further, many new sources of wealth such as access to information is becoming free as in the case of Google. Therefore, the pressure on price-performance in emerging markets such as India can create a global phenomenon - dramatic decreases in prices and a fundamental realignment of cost structures. This process is already well underway as the examples from various industries demonstrate. At these rates there is absolutely no reason why India cannot provide *the latest technology solutions* for everyone. That is good news. More people can afford things. More can fulfil their aspirations to a life style. The consequence of this rise in affordability is that it is going to create explosive growth in consumption. This huge market opportunity will also have significant implications to the environment and the demands it will put on it.

##### *5. Provisioning of products and jobs for ecological vitality:*

What would happen if 800 million Indians become micro-consumers and micro-producers? The environmental impacts can be very significant. Whether it is water, energy, wastage and packaging, or the use of land, all ecosystems will be stressed. Sustainability is multi-dimensional. It is not just energy or water. It is not just waste. Unfortunately, ecological stresses hurt the poor first be it the cost of trucked in water or respiratory ailments due to the use biomass in cooking or stomach disorders due to unsafe drinking water.

The impact of rapid growth – consumption and production- on ecosystems around the world, just not in India is critical for us to understand<sup>vi</sup>. Ecological damage does not respect borders. We can consider the role of ecosystems as two fold – provision of food and water. Call it provisioning. Secondly, how do we regulate and protect these natural capital or natural resources? We can for example, protect ourselves against natural disasters such as floods. We could, for example, improve the sewage system in Mumbai and ensure that it can handle heavy rains during the monsoon. We can better regulate the spread of diseases such as malaria. We can control deforestation. Finally, we can enjoy the fruits of nature- beautiful lakes, snow clad mountain peaks, and the sea. Nature can add to the quality of life. Worldwide, human ingenuity has found ways of improving nature's bounty. We grow more food per acre of land. We can say that provisioning is somewhat enhanced. However, regulation of natural capital provides a very mixed picture. Floods, drought, deforestation, and degradation of quality of land

and water are well known. India needs to rapidly come to terms with it. I can share with you maps and satellite images that illustrate what is happening to the natural capital of India due to poor regulation and enforcement. Of the many areas that need immediate attention, I pick four:

- 1) the quality of water, its availability and access, the usage mix between agriculture, industry and family use
- 2) energy
- 3) deforestation and
- 4) health. Health is closely associated with water and energy.

Poverty alleviation is not possible without thinking about sustainable development and the two are intimately linked. The current development models for energy, water, packaging, waste per capita are inappropriate and we have to develop fundamentally new ideas. India represents an ecological “time bomb”. The shortage of water in urban India is already a major problem and it is likely to get worse. The cost of energy is already very high. These patterns of resource use are unsustainable. We have to find better use of resources and support new innovations in this area; better systems for cooking, better pricing and allocation of water for industrial, agricultural and domestic use, or better systems for waste reduction; including biodegradable packaging. I believe that affordable price performance levels, so critical for creating a fair and inclusive society will come with an ecological price tag. What are the preconditions for creating this kind of uninterrupted inclusive growth with ecological sensitivity?

#### *6. Focus on Governance:*

Let us consider the relationship between GNI per capita in purchasing power terms, a country’s score on the human development index and the quality of governance – i.e., the level of corruption. This information is publicly available for all countries. For example;

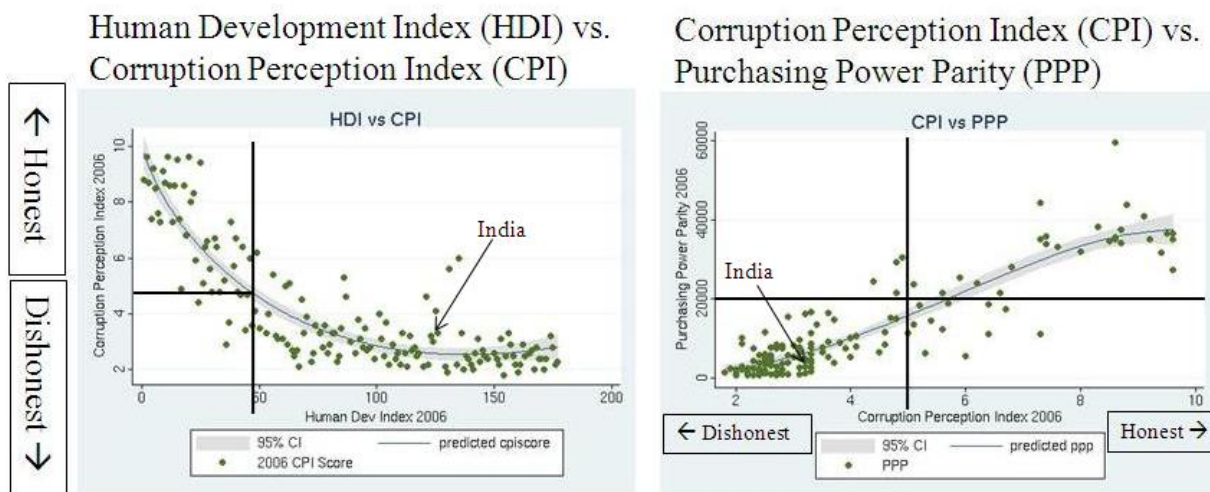
- a. GNI/Capita in PPP terms is available from the World Bank
- b. Human Development Index is available from UNDP
- c. Corruption Index is available from Transparency International

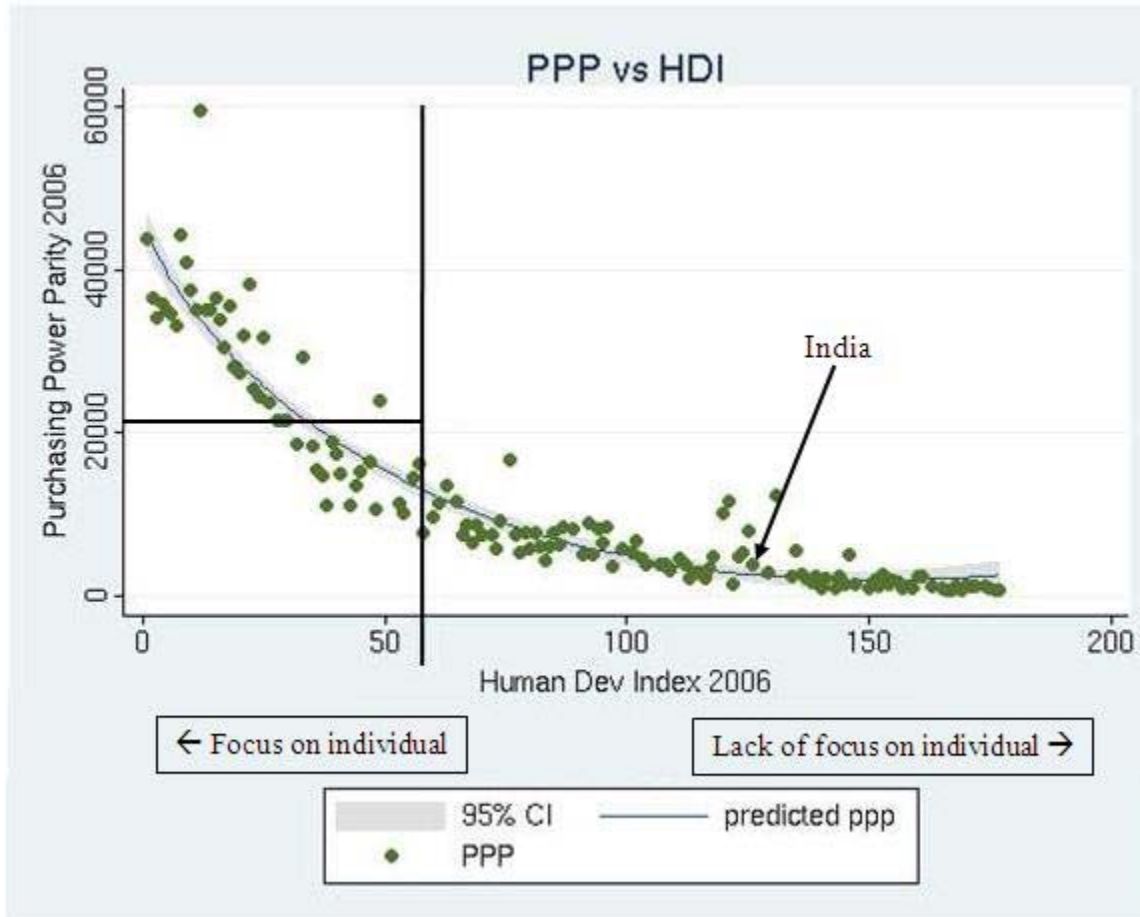
If we use this data and look at both rich and poor countries we get very interesting correlations.

- a. An analysis of Human Development Index and the Corruption Perception Index, suggests that corrupt countries have lower level of human development.

- b. If you look at the Corruption Perception Index and GDP/capita in PPP terms, corrupt countries are not rich. Small subsets of the populace in corrupt countries may be rich, but the country as a whole is not rich.
- c. If you look at Human Development Index and GDP/capita it is the same pattern. The more you invest in your human resources the richer the country gets.

These correlations are shown below. We can draw some important conclusions from these correlations. In India, one can safely say that the poor quality of human development is not about lack of resources. It is about the level of corruption in the deployment of resources. Good governance or less corruption leads to high levels of GDP per capita, not the other way around. A nation does not get rich first and then become less corrupt. *A nation becomes less corrupt before it gets rich.* A focus on human development is quite critical for getting rich. None of these conclusions should come as a surprise. It is intuitively obvious but we can look at the data from around the world and our conclusions are further reinforced. I looked at India's GDP per capita in 2006 and the rank in human development index (which is 126 out of 177). Nothing much to be pleased about. Our corruption perception index was 3.3 ( a very





low grade out of ten, with very few countries being worse). We have the opportunity to make significant improvements in these scores by 2020 - both levels of corruption and Human Development Index. India may not reach the level of Finland by that time, but even if we reach a 7 on corruption (somewhere near the USA) and a rank of 20 out of 175 in human development Index, our per capita incomes will move up dramatically – to say \$ 25,000 PPP from the current level of \$ 3,800 PPP. The GDP gap this represents in total represents \$28.2 trillion. The explicit, quantifiable price we are paying for corruption and the neglect of human resources in the country is staggering and should be the focus of national debate.

The trajectory we need to be on for dealing with corruption and with Human Development Index is not about more laws. I believe that we need to focus on a few basic areas.

- a. *Mental Models.* We need a serious examination of the mental models we use to think of India, its future, its developmental needs and the rights of individuals. What does it mean to be an Indian? What rights does citizenship bestow up on an individual citizen of India?
- b. *Rights of Individuals vs. the Rights of Groups.* Closely associated with the rights of being an Indian is the focus on individual's rights. Indian politics is based on the rights of groups. We need a re-examination of the basic premise of "rights". Should the focus shift to the rights of the individual?
- c. *Data Driven Solutions vs. Dogma Driven Solutions.* There is a lot of data that is available on every issue we have identified as critical so far. However, the debate is often ideological. Data gets distorted or worse not even used. History is full of examples of the human consequence of placing ideology over data driven reality. These include the millions who died in the gulags of Stalin or the famines of Mao. Democracy does not necessarily buffer a nation from the unintended negative consequences of poorly informed choices.
- d. *Principles vs. Rituals.* We need to go back to the basic principles as the "tie breakers" when confronted with difficult decisions.
- e. *Social Justice is not Socialism:* We should not confuse social justice, creating equal opportunities for all and eliminating inequalities with socialism. Socialism is an ideology and it has not succeeded anywhere in creating social equity with wealth creation.
- f. *Accountability for Performance.* We need a better system for accountability. Infant mortality is about 2 million children per year due to infectious and diabolical disease. Who is accountable for these "needless and preventable deaths"?
- g. *Corruption as Treason.* Unless corruption at all levels is dealt with the seriousness of treason, it will be a very slow process of change.
- h. *Focus on Imagination vs. a Focus on Resources.* How we deploy our resources to high impact opportunities may be more important than the sheer size of the resource base.

I recognize that these principles need a deep change in the culture of governance in India and a significant introspection. But I believe that this is crucial for transformative change in India.

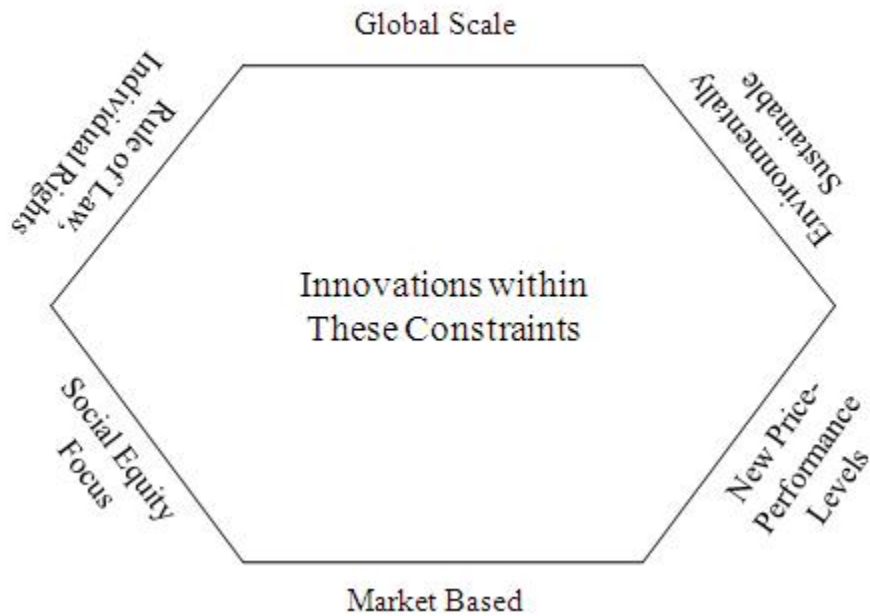
### ***The Innovation Sand Box***

I have identified the key drivers of the developmental context for India@75. They relate not to abject poverty but income inequality, recognizing life styles, urbanization and the emergence of universal aspirations, a dramatic change in price-performance relationships, economic development and ecological crisis and finally the role of governance and the rule of law. Implicit in my discussion but crucial to understanding the process is the concept of scale. A country of the size of India – 1.2 billion people demands scale of operations that we have not even imagined thus far. Similarly, I have clearly focused on market based solutions. Both scale and market based approaches are implicit in this analysis.

The six issues that I identified as providing the context for India@75 cannot be ignored. All development must embrace these constraints and treat them as “non- negotiables”. We have to innovate within these constraints. To demonstrate the criticality of these constraints, I developed the notion of an *innovation sand box or a development sandbox*. The social equity focus recognizes the need for income equality, the Rule of law constraint refers to key governance issues raised earlier, the environmentally sustainable constraint refers to the need of ecological vitality and the new price-performance constraints clearly incorporates the changing price-performance envelope we discussed earlier. We know we can operate within these constraints and innovate. For example, we are cracking the price-performance envelope successfully. We are scaling rapidly. The value of market based systems is gaining momentum. We are getting some understanding of the ecological needs whether in the use of CNG in transportation or rain water harvesting. We have made very little progress in imposing the rule of law, in improving governance or in dealing with social equity through market based mechanisms. The sandbox represented below puts all these requirements together and suggests that all innovations, policy decisions, and priorities



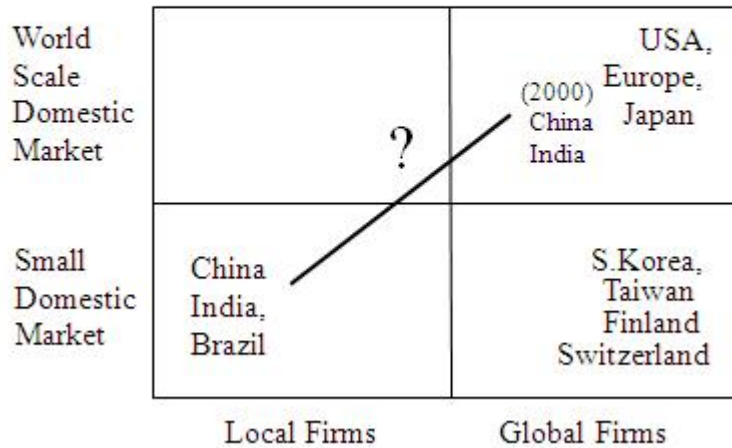
## The “Sandbox” for Economic Development



must be done within this sandbox. I say don't violate these constraints. Work within these constraints. As long as we innovate within those constraints we will do exceptionally well. It must be the same sandbox for politicians, bureaucrats, business men, NGOs and private citizens. While the approach to innovations can vary, the boundary conditions must be the same.

The potential of India@75 that I presented at the beginning of this lecture is possible if we are disciplined in accepting the constraints and executing within the sandbox. I have been always optimistic about India's future. I thought I would finish by going back to a presentation I made in 1989 at a CII Conference. My view of India, as I saw its future in 1989 is shown below:

## The Emerging World Order: My View in 1989



If we looked the industrial landscape of the world at that time, there were global firms and local firms. Some countries represented a large (world scale) domestic market and some small domestic markets. Global firms emanated from countries with small domestic markets such as Finland, The Netherlands and Switzerland as well as from the USA, Japan and Germany. However, there were few countries which could claim, that they are home to global firms as well as represent world scale domestic markets. India at that time had no global firm and had a very small domestic market. My prediction was that by 2000, India and China will join the select group of counties such as USA, Germany and Japan. We are not there yet but we are well on the way. The G-7 and G-8 may have to formally include India in the future. At that time there were not too many believers. Now it is becoming a reality. All of us here believe that India has earned her place in the world economic order.

I think the poor in India are ready for the journey. I think the problem is with the elites of India and with India's political leaders across the spectrum. I believe that if you want to understand India we have to go back to her deep past. The recent past does not give us many clues to Her genius. The first ethicist in India and maybe the world was the Tamil saint Thiruvalluvar. He said something dramatic: "Even if God wills against you, hard work will get you there". 2000 years ago, he told us: "don't blame anybody else except yourself." I believe there is nothing

more powerful than Indians taking responsibility for their own future. If India@75 fails to become a global leader the only reason for that failure will be Indians themselves. Nobody from outside is stopping us from succeeding. So this transformation is not about resources. It is about our confidence in building a new India. If we cannot imagine this India we cannot create it. Imagination and belief in India's true destiny is what we need. We need the passion, the courage and certainly an enormous dose of humanity and humility.

Thank you

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<sup>i</sup> *The Knowledge Commission* under the leadership of Mr. Sam Pitroda and the *Skills Commission* under the leadership of .....are good starts in this direction.

<sup>ii</sup> C.K. Prahalad: *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits*, Wharton Publishing, 2004 and

C.K. Prahalad: *the Innovation Sand box*; Strategy+ Business, 2007

<sup>iii</sup> World Resources Institute

<sup>iv</sup> Source: UN Population division: *World Population Prospects 2006*

<sup>v</sup> I have talked about 10% growth and 10 million new jobs for several years starting 2002.

<sup>vi</sup> World resources institue