

Business Line

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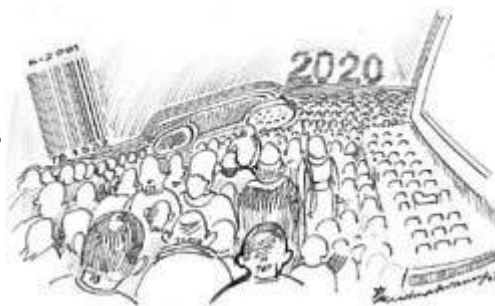
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M. J. Xavier



INDIA is a country of great contradictions. While on the one hand we boast about the western style universities and institutes and some of the most qualified scientists and engineers in the world, half the country's population is illiterate. Though we have supercomputers and satellites, we also have a sizeable population living below the poverty line.

The rise in the population between 1951 and 1981, at 15 million per year, is more than that of the US. The population explosion has affected the efforts to improve the living standards of the people.

After more than four decades of a socialistic pattern of economic governance, India remains a country of wide chasms -- between classes, between rich and poor, between urban and rural, between prosperous and backward States, and so on.

India's middle-class -- consuming the usual television sets, motorcycles, refrigerators and other white goods -- numbers around 120 million. But those below the poverty line, who cannot afford even the basic necessities, are four times that figure.

There are wide regional disparities. While the South and West have progressed well, the North and East continue to remain undeveloped.

India has also seen several shifts in its economic policy. Though Gandhiji prophesied 'simple living and high thinking' and promoted the concept of GramRajya, India's first Prime Minister Jawaharlal Nehru had a different vision for India. He believed in building a 'modern and self-reliant India' and chose central planning and the reliance on public sector enterprises to industrialise rapidly.

When Indira Gandhi came to power Garibi Hatao became her slogan. During the brief Janata Party's governance, the noose was tightened around several multinational companies by bringing in FERA and MRTP.

It was Rajiv Gandhi who developed a vision for taking India into the 21st century. But, the resistance from the well-entrenched Indian business houses did not allow him to make any progress.

The country slipped into a crisis, especially on the balance of payments forcing Mr. P. V. Narasimha Rao to liberalise the economy signalling the end of the licence-permit raj and freeing the industry so as to integrate with the global economies.

While the country has made considerable progress, the reforms process has over the last year stagnated. Can a vision of the future be developed?

It is to paint a gloomy picture that India would soon slip into chaos because of various reasons including political instability. This could gradually lead to a disintegration of the country; some even offer historic reasons for this.

Another pessimistic scenario, often depicted by the old school Marxist economists, is that India would gradually go the way of many South American countries and get into a debt trap and go bankrupt. This would make India perpetually dependent on the World Bank and such other multilateral

organisations and donors.

The third picture is that India's basic moral fabric is getting torn. With the rising disparity between rich and poor, the country would go the African way. There will be a rise in militancy and violence and people would kill one another for material benefits.

But there is optimism too. The Finance Minister, Mr. P. Chidambaram, believes that by 2020, poverty will be eradicated. His choice of the year is very significant as it is becoming the landmark year for planners, policy-makers and futurologists.

The other person who is working on a Vision 2020 is the Andhra Pradesh Chief Minister, Mr. Chandrababu Naidu, who believes in the use of technology to upgrade the lives of people. He earlier distributed computers to all his MLAs. Now he is working on a plan to provide Internet facilities to all educational Institutions. Both plan to cover 60 per cent homes with personal computers, provide E-Mail facility at all STD booths, and extend wide-area networks to all villages. They are working towards modernising governance and are taking several steps to improve the government-citizen interface through the use of technology, particularly IT.

But all this Vision for India will need the underpinning of technology. The growth of any country depends on the networks it is able to build to connect its people. We need road, railway, communications (telephone, telex, E-Mail, Voice Mail) and computer networks. There is already a good rail network in place. The country may have to adopt the BOOT (build, own, operate and transfer) route to build the road network.

As for computerisation, the aim must be to put one computer in every village and link it to the rest of the world. Even before the road network is built, India can build its computer network easily. Given our capabilities in satellite building and launching and IT skills, it would not be too difficult a task.

Also, all government offices need to be

computerised to improve the "government-citizen interface" as Mr. Chandrababu Naidu says.

For those sceptical about computers in villages when such basic necessities as electricity, education, sanitation and drinking water are not yet met, it is not necessary to wait till the basic needs are met to go for higher order needs. They can go side by side. Anyway, IT and telecommunications lie at the very heart of progress. Already the tremendous impact of telecom on business and all aspects of life is visible.

The population should also not be seen as a mere problem. It should be put to good use. For instance, Gujarat and Tamil Nadu, with good overall growth, offer better standards of living to their people than Bihar or Madhya Pradesh which are less populated.

The Government should also stop looking at private property with suspicion. After all, there is nothing wrong in creating wealth. In fact, we need to encourage entrepreneurs who work hard and create wealth for themselves, within the legal and ethical framework. They, in turn, create wealth for others and the nation.

The trick thus is more on growth rather than distribution of wealth. Many a times, policies merely aim at redistributing wealth without giving importance to creation of wealth. While equitable distribution aims at equal division of the pie among its members, growth route aims at enlarging the pie and thereby offers better prospects to all.

Development of technology, better governance and encouragement of entrepreneurship could see not merely an eradication of poverty by 2020, India could well be on its way to becoming a superpower. This, then, should be India's vision for the next century and it should work towards achieving it.

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