

A work-in-progress

Title: *Imagining India: The Idea of a Nation Renewed*

Author: Nandan Nilekani

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Narrating the story that is India in the 21st century is no easy task. Understanding the myriad warps and wefts that make up its weave can take even the best academics decades. And then too, only if they concentrate on selected aspects of India.

Nandan Nilekani, one of India's most accomplished businessmen, has attempted a distinctly non-academic work in his book *Imagining India: The Idea of a Nation Renewed*, in which he tries heroically to grapple with a wide sweep of the most troubling issues we must deal with.

His canvas includes demographics, entrepreneurship, the English language, democracy, school and university education, urbanisation, infrastructure, employment, information and communications technology, health, social insecurity, environment and power. By providing a fairly realistic assessment of the country's strengths and weaknesses, he offers some useful insights to people interested in doing business with India.

For Indians living in India, *Imagining India* offers little they didn't already know. Caste, corruption, poor infrastructure, unemployment, and so on, are things we deal with every day of our lives. What we do not know from firsthand experience we learn about from newspapers, websites and television channels.

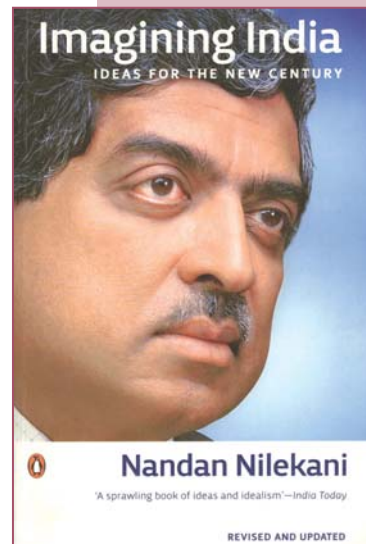
Hence the litany of ills in the book becomes a bit tiresome, given the book's length (531 pages). Yet the book has relevance because of the hints and suggestions of solutions that are strewn through its pages. It would have been better had the author dealt with the solutions in a more focused manner — but his effort seems to be geared to make the tome less boring.

Casual comments

To relieve the tedium, Mr Nilekani has peppered the discourse with interesting anecdotes and comments by people from various walks of life. Stories like the one about Laloo Prasad Yadav convincing many voters in Bihar that his candidate Shakuni Chaudhary 'was a reincarnation of Kush, the son of Lord Vishnu'. Only, Kush was not Vishnu's son but one of the two sons of Ram, considered one of the many reincarnations of Vishnu.

This somewhat casual approach to facts is a weakness. Mr Nilekani should have culled his facts from documents rather than from hearsay. The book has far too much of 'X tells me this' and 'Y tells me that' (X, Y, Z and others being mainly public personalities) — which is a bit irritating but yet understandable when it comes to opinions, but not with facts. Here's an example: "In 2007, Chidambaram tells me, 'we spent more than ten trillion rupees on subsidies alone. That's Rs1000,000,000,000 funding some very bad ideas.'"

Just think. The total expenditure provided by the Indian budget for 2007-08 was just Rs6.8 trillion. How could subsidies have been Rs10 trillion? Did



Mr Chidambaram make a mistake? Did Mr Nilekani hear wrong? Whatever did happen, a simple fact-check with budget documents, available online, would have shown up the mistake.

In any case, as we can see from the (quoted) number in numerals (a one followed by 12 zeroes), Mr Chidambaram is really talking of one trillion rupees, not ten! However, Mr Nilekani refers to the 10-trillion number more than once in the book.

For example, he says: 'We ought to pause for a moment and consider what Rs10 trillion could do for welfare in India if put to effective use, rather than being lost to 'leakage' or given to the wrong people. A government willing to transform these pay-outs into direct benefits — cash payments, vouchers and lifeline subsidies — would see an impact that would be the Indian equivalent of the New Deal. It would create massive new wealth and opportunity for the middle and working class, and would give the party or coalition that implements it an endurance in politics that India has not seen since 1977.' Excellent thought; only, the sum available would be one trillion rupees, not ten; so the impact would be far less dramatic than Mr Nilekani imagines it might be.

Another instance of how facts are treated: In his chapter on information technology, he talks of '90 per cent of land titles in a country of a billion people in dispute and over 30 per cent of pending court cases concerned with land'. What is the source of these unbelievable numbers? Mr Nilekani does not cite any.

This does not detract from his argument. In such a vast land of 1 billion people, even if 10 or 20 per cent of land titles were in dispute, that would still be horrendous. What the number does, however, is that it casts doubt on the feasibility of his own prescription of using information technology to better manage land records. When (or if) 90 per cent of land titles are in dispute, what is the value of data captured electronically until the disputes are settled?

The need for transparency

Mr Nilekani's idealism and enthusiasm about the efficacy of the Unique Identification (UID) project is laudable because we need to find a solution to the fudging of identities of India's citizens, which has been undermining financial regulations and torpedoing welfare programmes. The chapter on 'ICT in India' (a must-read), touches some ways in which IT can help improve the way we live and work. Only, do not expect UID to be a panacea.

Identity fraud is most prevalent in two broad areas. One is in the financial sector, where people use multiple IDs to evade taxes or seek extraordinary advantage in the lottery-like public offers of popular

shares. The second, the more dangerous for the economy and society, is in the welfare sector, where politicians, bureaucrats, landlords and contractors connive to create fictitious people in whose name they can pocket subsidies or sell subsidies to undeserving consumers (non-poor certified as poor).

If the UID regime is accompanied by a transparent voucher or cash payment system, then there is a relatively greater chance of the poor getting the subsidies they are meant to get ('relatively greater chance' because the poor may find that they are forced to hand over to the local thugs the subsidy they collect). It will be more difficult to eliminate fictitious citizens. Perhaps a way will be found; it will have to be accompanied by stringent punishment for offenders. Without stiff deterrence today's multiple identities will become tomorrow's multiple unique identities.

Overall, while the thrust of Mr Nilekani's arguments is loud and pretty clear, the book could have done with better treatment of facts, including, perhaps the use of tables and charts (either in the main chapters or in an appendix). Those (such as non-Indians) who do not already know the facts are forced to rely on Mr Nilekani's views, and the views of various people he has quoted, rather than on facts.

Education imbroglio

Thus, for example, while he has devoted dozens of pages to the education system, and decried the continuing 'slow collapse' of Indian universities, he focuses mainly on just one dimension of this problem, viz the politicisation of universities and colleges, with a considerable amount said about the policy of caste-based and other kinds of reservations. Little is said about other issues, for example, the severe scarcity of good faculty, a problem that affects not just the multitude of new universities and colleges that have been sprouting up around the country, but also prestigious institutions like the Indian Institutes of Technology and Indian Institutes of Management.

An important contributor to the deterioration of educational institutions is the difficulty they face in attracting good faculty. Though there are many highly qualified people who are committed to academics and education, there are far too few of them. The differences between salaries in the educational and corporate sectors are way too big, and have grown uncomfortably wider in the past three decades. Unless something is done urgently to attract some of the best people to the teaching and research professions, there is little hope for our education sector.

Mr Nilekani is right in criticising the restrictions on fees, which make it difficult for colleges to strengthen themselves, or even to avoid deterioration;

he also refers to the lack of research and consulting, which deprive faculty of income and experience, and students the new insights that such activities bring to their studies. But his arguments about the deterioration of the universities would have been strengthened had he provided hard information. For example, the gaps between the syllabuses used in Indian universities and the best institutions abroad — especially in areas like sciences and engineering; or specifics of the lack of equipment in vocational institutes and engineering colleges.

Reform issues

While Mr Nilekani deals at length with the differences of opinions among politicians on reforms, he is perhaps being too kind to those who oppose reforms. India began its post-colonial journey with a strong dose of ‘socialist’ beliefs à la Jawaharlal Nehru, the Communists, and others.

Today more than two decades have passed since the collapse of the Soviet Union and the Eastern Bloc. And more than three decades since China gave carte blanche to capitalism. It is difficult to believe that today’s Left thinking is backed by the same level of sincerity as it was in the middle of the last century. There are, clearly, vested interests involved in every area, including the trade unions, academia and the media. The hypocrisy of socialist sloganeering is all too apparent when politicians who have used power to amass personal wealth parade as socialists and representatives of the poor.

Mr Nilekani cites the view of dalit writer and activist Chandrabhan Prasad, who says, ‘The weakest communities should ideally be the strongest supporters of reform ...’ Mr Nilekani adds: ‘In just two decades, as Chandrabhan notes, the effects of even limited economic freedoms have been superior to an interventionist state.’

So why are reformist-minded politicians always on the defensive when they talk of reforms? The media discuss the issue as if reformers fear the wrath of the masses. More likely, they fear the wrath of other politicians who have exploited the masses for their personal ends — politicians whose support they need in Parliament.

One important reason why there is resistance to reform is the endemic corruption in the country. Politicians, who are big gainers from such corruption (along with bureaucrats and crony capitalists), are naturally leery about reforms, which would reduce their hold on economic decision making and cut off their sources of illegal gains.

It’s clear from the book that, while India has seen big changes in the past two decades, the project of

reform is still a work-in-progress. An overseas reader gets an honest and realistic view, shorn of hubris, of where India is, where it is going, and some of the possible pitfalls on the way. For the Indian reader, the book stirs up a storm of ideas, from which some solutions must emerge. ●

Kiron Kasbekar

Excerpt

They say fortune is all about timing, and India has been incredibly lucky that our growth story is happening at a time when the technological revolution is providing us with a basis for a fundamental transformation in governance, better public services and for creating a targeted safety net for the poor.

Technology is extremely powerful as a liberal force, in its ability to empower citizens and minimize the sway of the state. It would strengthen India’s advantages as an open, democratic society, and would ensure that information, knowledge and services flow unimpeded. But for much of the 1980s and 1990s, our e-governance projects and technology initiatives tended to flounder, usually derailed by political interference and bureaucratic apathy. Technology itself is not the Midas touch — however, if we are sufficiently able to get the technology foundation up and running, the change it triggers across the government has the capacity to become juggernaut.

India is particularly well suited to harness the powerful capability of IT just as we are undertaking our biggest development journey. The talent that made India the centre of global delivery in IT over the last fifteen years has now developed the skills and experience it needs to apply these learnings at home. In the next fifteen years, these skills can help us build the kind of politically and economically inclusive environment that can take India into a second phase of dramatic, technology-aided growth. The acceptance of technology by the common man means that there will be no resistance to its widespread deployment. And the open society that we have created and nourished is the ideal ground for IT-led transparency in governance. But to realize this vision we have to take IT-led transformation from the sidelines of public policy and make it the centrepiece of our development and reform strategy.