



THE HAZE BEFORE DAWN

Do you know what a “dominant undertaking” is? Suresh Krishna does. The Chairman and Managing Director of Sundram Fasteners lived every day with the provisions of the Monopolies and Restrictive Trade Practices, or MRTP, Act. Every month in the '70s and '80s, Krishna would travel to Delhi to pace the corridors at Udyog Bhawan. “I had to deal with the Directorate General of Technical Development, make sure I was not in violation of MRTP strictures, and obtain between 70 and 114 licences, including a capital-goods licence and a raw-material licence, to keep our factories going,” Krishna said last week in Chennai. His salary was mandated by the government to not exceed ₹180,000 annually. The company he led was the first in India to win ISO 9000 certification.

In 1978-79, when the TVS Group sought permission to manufacture 60,000 mopeds a year, the babus were horrified. Who would buy so many, they said. TVS would have to guarantee exports of 40 per cent of its output if it was to be given a licence. Today, India's two-wheeler market is close to 10 million a year. TVS sold 139,541 two-wheelers in November alone.

How much have things changed since the new Industrial Policy of 1991 dismembered the Licence Raj? Krishna says he has not been to Delhi to pay court in 15 years.

J.R.D. Tata said in a speech titled “India 2030 A.D.” at Bombay University in April 1981, a whole decade before Prometheus was unchained, that it would be “within our power and capacity, with better management and a lower capital-output ratio, to achieve an average growth rate of 6 per cent during the next fifty years”. If India continued at its bullock cart pace of 3.5 per cent GNP growth, he said, per capita income would only

double to ₹3,600 by 2030. Had J.R.D. been alive — he died two years after Manmohan Singh unleashed reform — his heart would have leapt at today's per capita income of ₹44,345.

But, were the 1991 balance of payments crisis and the reform Budget truly serendipitous? Palaniappan Chidambaram, then a Congress MP, told me in April 1993 that the change was not as miraculous as it seemed. After it was routed in the 1989 elections, Congress rewrote its manifesto to embrace free trade, the dismantling of controls, and privatisation. The foreign exchange crisis hit at the right time. (Chidambaram quit as Commerce Minister after disclosing that his wife had invested a paltry ₹1.5 lakh in a company connected with the Harshad Mehta scandal. To put that probity in perspective, and to underline how far we have come in shame and scandal, the 2G licence revenue loss is estimated at 11,733,333 times what Nalini Chidambaram was tainted by).

However the shackles broke. India has burst forth in a million colours and ring-tones. For a long time, we were dozing in the “Ushhahkal”, Sanskrit for the time of Usha, the haze before the first rays of the sun shine through.

Communications Minister Sukh Ram was a Sanskrit scholar and would have understood that word. (He went to prison in connection with an earlier telecom scandal, but that is another story.) He said 16 years ago that three million people were on waiting lists for telephones. India's teledensity was a paltry 0.96 per cent. Today, it is sixty times that, and there are 706 million telephone connections. A splendid 2030 awaits an honest and hard-working nation that is home to one-fifth of humanity. Repeat, honest.



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