

# Afterword

*There's a tide in the affairs of men  
which taken at the flood, leads on  
to fortune; omitted, all the voyage of  
their life is bound in shallows and in miseries.*

—WILLIAM SHAKESPEARE,  
*JULIUS CAESAR*

Ever since *India Unbound* appeared in 2000, some kind reader or another has unfailingly sent me an email asking me to write a sequel or an update. Each time I have resisted the idea because I think that the basic thesis of the book remains robust. If anything, India has surpassed my expectations. I did not think that India's democracy would allow its economy to grow much beyond 7 percent a year. But over the last four years—from 2002–2006—it has been growing at 8 percent plus, and it is now one of the world's strongest.

It is becoming increasingly possible to believe that India's economic problem will be solved during the first half of the twenty-first century. The problem, an age-old worry, is that there is not enough to go around. Some parts of Asia are already affluent and others are on the same path to prosperity. China is well on its way. India too, based on current trends, should reach a level of prosperity where, for the first time in history, Indians will emerge from a struggle against want into an age when the large majority will be at ease. More recently, population growth has begun to slow, and by 1998 it was down to 1.7 percent compared to its historic 2.2 percent growth rate. More than 200 million Indians have risen out of destitution in the past twenty-five years. Prosperity will, of course, not spread simultaneously across the map. Some regions will get there before others—for example, Gujarat will be twenty years ahead of Bihar, but Bihar too will catch up (incredible as it may seem).

If our economy continues to grow at this rate for the next two to three decades—and there is no reason why it should not—then large parts of India should turn middle class in the first quarter of the century. At that point poverty will not vanish, but the poor will come down to a manageable level, and the politics of the country will also change. By 2025, India will see its share of world product rise from 6 to 13 percent, making it the third-largest economy in the world. By then, China will be the largest, and together India and China will account for 39 percent share of global output, which is about equal to the present share of United States and Europe combined. It is also almost what India and China's output was in 1750. One of the reasons behind this momentous shift in economic power is that countries like India have a large number of the world's children under fifteen. Europe, Japan and USSR will be left behind because of their sharp decline in fertility. The United States will hold on to its present 22 percent share of world output, because immigration will mitigate the declining population trend. All of this goes against the old wisdom that poor developing countries with ever-expanding populations are doomed to perpetual poverty.

The notable thing about India's rise is not that it is new—it has been among the best performing

economies for a quarter century—but that its path is unique. Rather than adopting the classic Asian strategy—exporting labour-intensive, low-priced manufactured goods to the West—India has relied on its domestic market more than exports, consumption more than investment, services more than industry, and high-tech rather than low-skill manufacturing. This approach has meant that the Indian economy has been mostly insulated from global downturns, showing a lack of volatility that is as impressive as the rate of its expansion. The consumption-driven model—consumption accounts for 64 percent of India’s GDP, compared to 44 percent of China’s—is also more people-friendly than other development strategies. As a result, inequality has increased much less in India than in other developing nations. (Its Gini coefficient, a measure of income inequality, is 33, compared to 41 for the United States, 45 for China, and 59 for Brazil.) Moreover, 30-40 percent of its GDP growth is due to rising total factor productivity—a true sign of an economy’s health and progress—rather than to increases in capital or labour.

What is even more remarkable is that rather than rising with the help of the state, India is in many ways rising despite the state. The entrepreneur is clearly at the centre of India’s success story. India now boasts highly competitive private companies, a booming stock market, and a modern, well-disciplined financial sector. And since 1991 especially, the Indian state has been gradually moving out of the way—not graciously, but kicked and dragged into implementing economic reforms. It has started to lower trade barriers and tax rates, break state monopolies, unshackle industry, encourage competition, and open up to the rest of the world. The pace has been slow, but the reforms are starting to add up.

India is now poised at a great moment in its history. Rapid growth should continue—and even accelerate. But India cannot take this for granted. Public debt is high, which discourages investment in needed infrastructure. Overly strict labour laws, though they cover only 10 percent of the workforce, have the perverse effect of discouraging employers from hiring new workers. The public sector, although much smaller than China’s, is still too large and inefficient, a major drag on growth and employment and a burden for consumers. And although India is successfully generating high-end, capital- and knowledge-intensive manufacturing, it has failed to create a broad-based, labour-intensive industrial revolution—meaning that gains in employment have not been commensurate with overall economic growth. Its rural population, meanwhile, suffers from state-induced production and distribution distortions that result in farmers getting only 20–30 percent of the retail price of fruits and vegetables (versus 40–50 percent in developed countries).

India can take advantage of this moment and remove the remaining obstacles that have prevented it from realizing its full potential. Or it can continue smugly along, confident that it will get there eventually—but twenty years late. Already there are signs of complacency, and the most difficult reforms are not yet done.

India has improved its competitiveness considerably since I wrote this book. There has been a telecommunications revolution, interest rates have come down, capital is plentiful (although risk-averse managers of state-owned banks still refuse to lend to small entrepreneurs), highways and ports have improved, and real-estate markets are becoming transparent. More than a hundred Indian companies have a market capitalization of over a billion dollars, and some of these are likely to

become competitive global brands soon. Foreigners have invested in over a thousand Indian companies via the stock market. Three hundred and ninety out of 500 Fortune companies have outsourced to India and 125 out of the 500 Fortune companies now have Research and Development bases in India—a testament to its human capital. And high technology manufacturing has taken off. All these changes have disciplined the banking sector. Bad loans are now less than 2 percent of all loans (compared to 20 percent in China).

For now, growth is being driven by services and domestic consumption. Consumption accounts for 64 percent of India's GDP, compared to 58 percent for Europe, 55 percent for Japan, and 44 percent for China. That consumption might be a virtue embarrasses many Indians, with their streak of asceticism, but, as the economist Stephen Roach of Morgan Stanley puts it, "India's consumption-led approach to growth may be better balanced than the resource-mobilization model of China."

The contrast between India's entrepreneur-driven growth and China's state-cantered model is stark. China's success is largely based on exports by state enterprises or foreign companies. Beijing remains highly suspicious of entrepreneurs. Only 10 percent of credit goes to the private sector in China, even though it employs 40 percent of the Chinese workforce; in India, entrepreneurs get more than 80 percent of all loans. Whereas Jet Airways has become the undisputed leader of India's skies, China's first private airline, Okay, started flying only in February 2005.

What has been peculiar about India's development so far is that high growth has not been accompanied by a labour-intensive industrial revolution that could transform the lives of the tens of millions of Indians still trapped in rural poverty. We, in India, watch mesmerized as China seems to create an endless flow of low-end manufacturing jobs by exporting goods such as toys and clothes and as their better-educated compatriots succeed in exporting knowledge services to the rest of the world. Observing these two phenomena, some Indians ask insistently if India is going to skip the industrial revolution altogether, jumping straight from an agricultural economy to a service economy. Not surprisingly, the question frightens us. The rest of the world evolved from agriculture to industry to services. India appears to have a weak middle step. Services now account for more than half of India's GDP, 22 percent is from agriculture, and industry's share is only 27 percent (versus 46 percent in China). And within industry, India's strength is high-tech, high-skilled manufacturing.

Even the most fervent advocates of service-based growth do not question the desirability of creating more manufacturing jobs. That includes me. The failure to achieve a broad industrial transformation stems, in part, from bad policies. Perhaps the most egregious one was to "reserve" around 800 industries for small companies (SSI) who eventually were unable to compete against the large firms of competitor nations. Organized large firms were barred from making products like pencils, boot polish, candles, shoes, garments, and toys—all the products that helped East Asia create millions of jobs. Even since 1991, the government in power has been afraid to touch this "SSI holy cow" out of fear of a powerful SSI lobby. But this lobby has turned out to be mostly a phantom—little more than the bureaucrats who kept scaring politicians by warning of a backlash. The government has been pruning the list of protected industries incrementally in the past five years with no adverse reaction.

In the short term, the best way for India to improve the lot of the rural poor might lie in a second

green revolution. Unlike manufacturing, India has a competitive advantage in agriculture, with plenty of arable land, sunshine, water and very low productivity. In order to achieve such a change, however, India will need to shift its mindset from peasant farming to agribusiness and encourage private capital to move from urban to rural areas. It will need to lift onerous distribution controls, permit “contract farming”, allow large retailers to contract directly with farmers, invest in irrigation and slowly permit consolidation of hugely fragmented holdings.

Indian entrepreneurs still face a range of obstacles, many of them the result of lingering bad policies. Electric power is less reliable and more expensive than in competitor nations. Checkpoints keep trucks waiting for hours. Taxes and import duties have come down, but the cascading effect of indirect taxes will burden Indian manufacturers until a uniform Goods and Services tax is a reality. Stringent labour laws continue to deter entrepreneurs from hiring workers. The “License Raj” may be gone, but an “Inspector Raj” is alive and well; the “midnight knock” from an excise, customs, labour, or factory inspector still haunts the smaller entrepreneur. Some of these problems will hopefully diminish with the coming of new economic zones, which promise a reduced regulatory burden. Meanwhile, manufacturing too has begun to finally take off. Perhaps, after a decade, the distinction between China as the “world’s workshop” and India as the world’s “back office” will slowly fade as India’s manufacturing and China’s services catch up.

It is an amazing spectacle to see prosperity beginning to spread alongside the most appalling governance in today’s India. In the midst of a booming private economy, Indians despair over the simplest public goods. It used to be the other way around. During India’s socialist days Indians worried about economic growth but they were proud of their world-class judiciary, bureaucracy and police force. Now, the old centralized bureaucratic Indian state is in steady decline. Where it is desperately needed—in providing basic education, health and drinking water—it has performed appallingly. Where it is not needed, it was long hyperactive in over-regulating private enterprise, stifling India’s prosperity for four decades after Independence.

Labour laws, for example, still make it almost impossible to lay-off a worker—as the infamous case of Uttam Nakate illustrates. In early 1984, Nakate was found at 11.40 AM, sleeping soundly on the floor of the factory in Pune where he worked. That time, his employer let him off with a warning. But it happened again and again. On the fourth occasion, the factory began disciplinary proceedings against him, and after five months of hearings, he was found guilty and sacked. But then Nakate went to a labour court in Maharashtra and pleaded that he was a victim of an unfair trade practice. The court agreed, and forced the factory to take him back and pay him 50 percent of back wages. Only 17 years later, after appeals to the Bombay High Court and the Supreme Court, did the factory finally win the right to fire an employee who had repeatedly been caught sleeping on the job.

Aside from the problem of the speed of justice, Nakate’s case dramatized to Indians that such labour laws actually reduce employment by making employers afraid to hire workers in the first place. These rules thus protect existing unionized workers—sometimes referred to as the “labour aristocracy”—at the expense of everyone else. At this point, the “labour aristocracy” comprises only 10 percent of the Indian workforce.

No single institution has disappointed Indians more than their bureaucracy. In the 1950s, Indians

bought the cruel myth of Nehru's "steel frame", supposedly a means of guaranteeing stability and continuity after the British Raj. Indians also accepted that a powerful civil service was needed to keep a diverse country together and administer the vast regulatory framework of Nehru's "mixed economy". But in the holy name of socialism, the Indian bureaucracy created thousands of controls and stifled enterprise for forty years. India may have had some excellent civil servants, but none really understood business—even though they had the power to ruin it.

Today, Indians believe that their bureaucracy has become a prime obstacle to development, blocking instead of shepherding economic reforms. They think of bureaucrats as self-serving, obstructive and corrupt, protected by labour laws and lifetime contracts that render them completely unaccountable. To be sure, there are examples of good performance—the building of the Delhi Metro or the quickly expanding national highway system—but these only underscore how much most of the bureaucracy fails. To make matters worse, the term of the civil servant in a particular job before he or she is transferred at the whim of the political boss has been getting shorter. Prime Minister Manmohan Singh has instituted a new appraisal system for the top bureaucracy, but it has not done much.

The Indian bureaucracy is a haven of mental power. It still attracts many of the brightest students in the country, admitted on the basis of a difficult exam. But even with very high IQs, they fail as managers. One of the reasons is the perverse incentive system; another is poor training in implementation. The Delhi Metro is making great strides not because of its brilliant conception but because its head sets clear, measurable goals, monitors day-to-day progress, and persistently removes obstacles. Most Indian politicians and civil servants, in contrast, fail to plan well, monitor, or follow through on projects. India's performance failures have more to do with poor execution than with ideology or strategy.

The government's most damaging failure is in public education. Consider one particularly telling statistic. According to a study by Harvard University's Michael Kremer and others, one out of four teachers in a government elementary school is absent, and one out of two present is not teaching. Even as the famed Indian Institutes of Technology become a global brand name, less than half the children in fourth-level classes in Mumbai and Vadodra can do first-level math. It's got so bad that even the poor have begun to pull their kids out of government schools and enrol them in private schools, which charge \$1 to \$3 a month in fees and which are spreading rapidly in slums and villages across India. (Private schools in India range from expensive boarding schools for the elite to low-end teaching shops in markets.) Although teacher salaries are on average considerably lower in private schools, their students perform much better. A national study led by Pratham, a non-governmental organization, found in 2006 that even in small villages, 16 percent of children are now in private primary schools and scored 10 percent higher on verbal and math exams than their peers in government schools.

India's education establishment, horrified by this exodus out of the public education system, trashes these "private schools" and wants to close them down. NIIT, a private company with 4000 "learning centres" has trained 4 million students and helped fuel India's IT revolution in the 1990s, but it has not been accredited by the government. Ironically, legislators finally acknowledged the state's failure to deliver education a few months ago when they pushed through parliament a law making it

mandatory for private schools to reserve seats for backward castes. As with so much about India's success story, Indians are finding solutions to their problems without waiting for the government.

The same dismal story is being repeated in health and water services, which are also de facto privatized. India's share of private spending in health is double that of the United States. Private tube wells account for nearly all new irrigation capacity in the country. In a city like Delhi, with greater endowment of water than most cities of the world, citizens cope with irregular supply by privately investing more than half the total cost of water supply. At government health centres, meanwhile, 40 percent of doctors and a third of nurses are absent at any given time. According to a study by J. Das and J. Hammer, there is a 50 percent chance of a doctor at such a centre recommending a positively harmful therapy.

How does one explain the discrepancy between the government's supposed commitment to universal elementary education, health and drinking water and the fact that more and more people are embracing private solutions? One answer is that the Indian establishment is caught in a time warp, clinging to the belief that the state and the civil service are the only way to meet peoples' needs. What they did not anticipate was that politicians in India's democracy would "capture" the bureaucracy and use the system to create jobs and revenue for friends and supporters. The Indian state no longer generates public goods but private benefits for those who control it. Consequently, the Indian state has become so "riddled with perverse incentives ... that accountability is almost impossible", says the political scientist Pratap Bhanu Mehta. In a recent study of India's public services, S. Paul, the activist, concludes that "the quality of governance is appalling".

There are many sensible steps for improving governance. Focusing on outcomes rather than internal procedures would help, as would delegating responsibility to service providers. But more important is for the Indian establishment to jettison its faith in, as the political scientist James Scott puts it, "bureaucratic high modernism" and recognize that the government's job is to govern rather than to run everything. Government may have to finance primary services such as health and education, but the provider must be accountable to the citizen as though to a customer (and not to his or her boss in the bureaucratic hierarchy). None of the solutions being debated in India will bring accountability without this change in mindset.



Shashi Kumar is twenty-nine years old and comes from a tiny village in Bihar, India's most backward and feudal state. His grandfather was a low-caste sharecropper in good times and a day labourer in bad ones. His family was so poor that they did not eat some nights. But Shashi's father somehow managed to get a job in a transport company in Darbhanga, and his mother began to teach in a private school, where Shashi was educated at no cost under her watchful eye. Determined that her son should escape the indignities of Bihar, she tutored him at night, got him into a college, and when he finished, gave him a railway ticket for Delhi.

Shashi is now a junior executive in an outsourced back office in Gurgaon with customers in America. He lives in a nice flat, which he bought last year with a mortgage, drives an Indica car, and sends his daughter to a good school. He is an average, affable young Indian, and like so many of his

kind he has a sense of life's possibilities. Prior to 1991, possibilities only existed for those with a government job. If you got an education and did not get into the government, you faced a nightmare that was called "educated unemployment". But now, Shashi says, anyone with education, computer skills and some English can make it.

But in the long run, the state cannot merely withdraw. Markets do not work in a vacuum. They need a network of regulations and institutions; they need umpires to settle disputes. These institutions do not just spring up; they take time to develop. The Indian state's greatest achievements lie in the non-economic sphere. It has held the world's most diverse country together in relative peace for fifty-seven years. It has put a modern institutional framework in place. It has held free and fair elections without interruption. Of 3.5 million village legislators, 1.2 million are women. These are proud achievements for an often bungling state with disastrous implementation skills and a terrible record at day-to-day governance.

Moreover, some of the most important post-1991 reforms have been successful because of the regulatory institutions established by the state. Even though the reforms have been slow, imperfect and incomplete, they have been consistent and in one direction. And it takes courage, frankly, to give up power, as the Indian state has done for the past fifteen years. The stubborn persistence of democracy is itself one of the Indian state's proudest achievements. Time and again, Indian democracy has shown itself resilient and enduring—giving lie to the old prejudice that if people live in poverty they are incapable of the kind of self-discipline and sobriety that makes for effective self-government. To be sure, it is an infuriating democracy, plagued by poor governance and fragile institutions that have failed to deliver basic public goods. But India's economic success has been all the more remarkable for coming under such a democracy.

Still, the poor state of governance reminds Indians of how far they are from being a truly great nation. That will happen only when every Indian has access to a good school, a working health clinic and clean drinking water. Fortunately, half of India's population is below twenty-five. Based on the current economic growth trends, the economy should be able to absorb an increasing number into the labour force. Nor does India have to worry about the problems of an ageing population; this translates into what economists call a "demographic dividend", which will help India to reach a level of prosperity at which, for the first time in its history, a majority of its citizens will not have to worry about basic needs. Yet India cannot afford to take its "golden age of growth" for granted. To India's entire political class, Brutus's famous warning in *Julius Caesar* at the top of this afterword should be a timely warning: that we stand at a crucial moment in our history when the stars appear to be on our side. If we do not seize the moment and improve our governance and accelerate the reforms, then history will not forgive us.



Two reports appeared in my newspaper in March 2005 and they left me bewildered. The first said that the Karnataka government has still not decided to rescind its ban on English in primary schools despite huge popular pressure from parents. In the second report, a Karnataka minister, after a busy

visit to China, announced, “Members of the Standing Committee of the Jiangsu Provincial People’s Congress wanted the help of the Karnataka government in teaching English in its primary schools.” This was in pursuit of its objective to make every Chinese literate in English by the 2008 Olympics. The contrast between the ambivalence of India and the certainty of China is always instructive.

It does seem bizarre that the state whose capital is Bangalore, the symbol of India’s success in the global economy, and derives its competitive advantage from its mastery of the English language should remain hostage to the deep insecurities of its vernacular chauvinists. This is after more than fifteen years when it first banned English from its primary schools in the late 1980s. Meanwhile, Bengal and Gujarat have realized their mistake and have gone back to teaching English after they discovered they had created an unemployable generation.

I thought this debate was over, and English had won. But now I realize that many states, including Kerala and Karnataka, are still in a state of paralytic inaction, interminably discussing the language of school instruction. In a world where a quarter of the people already know the world language and where experts predict another half will be English literates within a generation, it is painful to see Indians, who are the envy of many countries for their English skills, being stopped in their tracks by vernacular Stalinists with their bogus arguments, telling parents, “You don’t know what’s good for your children. We do.”

As for the Chinese, I try not to feel envious or fearful. While I am confident they will win plenty of medals at the next Olympics, I don’t think learning English will be quite as easy. I cannot help but admire their ambition, but I console myself with the thought that India has been spared their earlier ambitions at social engineering, the most prominent being the Cultural Revolution. A Chinese engineer, who is in India to improve his software and English skills, tells me coincidentally that China’s ambitions with regard to English are not only connected with their superpower ambitions but are also driven by envy over India’s facility with English.

I sometimes wonder what language we Indians will be speaking fifty years from now.

If we look beyond the horizon of current events we will see, I think, two trends that are likely to determine our linguistic future. One is the rapid spread of English across India, including the aspiring lower middle classes; the second is the unprecedented popularity of Hindi, even in the South, thanks to Hindi movies.

At the intersection of these two trends is the fashionable collision of the two languages. It is called Hinglish, but should in fact be called Inglish because it is increasingly pan-India’s street language. Mixing English with our mother tongues has been going on for generations, but what is different this time around is that Inglish has become both the aspirational language of the lower and middle classes and the fashionable language of drawing rooms of the upper and upper-middle classes. Similar attempts in the past were downmarket and contemptuously put down by snobbish brown sahibs. But this time Inglish is the stylish language of Bollywood, of FM radio and of national advertising. Advertisers, in particular, have been surprised by the terrific resonance of slogans such as, “Life ho to aisi”, “Josh machine” and “Dil mange more”.

Unlike my generation, today’s young are more relaxed about English and think it a skill, like learning Windows. No longer does it fly the British or American flags, except in the insecure minds

of the Left or the RSS. Bollywood, television, advertising, cricket—indeed, all our mass culture is conspiring to take English to the bazaar. Gone too is the ranting against English by swadeshi intellectuals. Every Indian mother knows that English is the passport to her child’s future—to a job, to entry into the middle class—and this is why English-medium schools are mushrooming in city slums and villages across the country, and English has quietly become an Indian language fifty years after the British left our shores. David Dalby, who measures these things in *Linguasphere*, predicts that by 2010 India will have the largest number of English speakers in the world. The date may be optimistic, but it will happen soon, and one of the cheerful things happening in India is the quiet democratizing of English.

In English, perhaps for the first time in our history, we may have found a language common to the masses and the classes, acceptable to the South and North. We are used to thinking of India in dualisms—upper vs. lower caste, urban vs. rural, India vs. Bharat—but the saddest divide, I think, is between those who know English and those “who are shut out” (in the phrase of my deaf friend Ursula Mistry in Mumbai, who deeply feels the tragedy of those who can’t participate). The exciting thing about English is that it may be able to unite the people of India in the same way as cricket. We may thus be at a historic moment. One day, I expect, we will also find English’s Mark Twain, the American writer who liberated Americans to write as they thought. Salman Rushdie gave Indians permission to write in English, but *Midnight’s Children* is not written in English, alas! And this is not surprising, for the young Indian mind was not decolonized until the reforms in the 1990s.

What exactly is English is not easy to define, and needs empirical research. Is its base English or our vernacular bhashas? If its foundation is bhasha, then it is similar to Franglais, the fashionable concoction of mostly French with English words thrown in that drives purists mad. Or is its support English, with an overlay of bhasha? I think it is both. For the upwardly mobile lower-middle class, it is bhasha mixed with some English words, such as what my newsboy speaks: “Main aaj busy hoon, kal bill doonga definitely.” For the classes, on the other hand, the base is definitely English, as in: “Hungry kya?”

In contrast to this vibrant new language, the old “Indian English” of our headlines is an anachronism: “sleuth nabs man”, “miscreants abscond”, and “eve-teasers get away”. In the ultimate put down, Professor Harish Trivedi of Delhi University contemptuously says, “Indian English? It is merely incorrect English.” English has parallels with Urdu, which became a naturalized subcontinental language and flourished mainly after the decline of Muslim rule. Originally the camp argot of the country’s Muslim conquerors, Urdu was forged from a combination of the conqueror’s imported Farsi and local bhashas. As Urdu was transported to the Deccan, so is English riding on the coat tails of Bollywood across India.

So, is English our “conquest of English”, to use Salman Rushdie’s famous words? Or is it our journey to “conquer the world”, in the words of Professor David Crystal, the author of the *Cambridge Encyclopaedia of the English Language*, who predicts that Indian English will become the most widely spoken variant of English based on India’s likely economic success in the twenty-first century and the sheer size of its population. “If 100 million Indians pronounce an English word in a certain way,” he says, “this is more than Britain’s population—so, it’s the only way to pronounce it.” If

British English was the world language at the end of the nineteenth century, after a century of British imperialism, and American English is the world language today after the American twentieth century, then the language of the twenty-first century might well be English or at least an English that is heavily influenced by India (and China).

What will happen to our mother tongues? This is the insecurity behind the ancient, paralysing debate over teaching English in primary schools. The vernacular chauvinists believe that our languages and cultures will die under the mesmerizing dominance of the power language, English. They point to Gaelic and Welsh, which were eradicated by English. Vernacularists think we have made a pact with the devil: while fluency in English gives us a competitive advantage, losing our mother tongue impoverishes our personality. We have to teach English early, for unless you acquire the nuances before the age of ten, you are disadvantaged. But then I have more confidence in our own languages. When Indians embrace English in order to win in the global market place, they don't turn their back on their mother tongue. While English empowers us, our mother tongue continues to give us identity. I agree with Ananthamurthy that in our big cities, we retain our "home tongues", while using a "street tongue" and working in the "power tongue".

In a wonderful essay, "Cosmopolitan and Vernacular in History", Sheldon Pollock, a professor of Sanskrit at Columbia University, says that our vernaculars were also "created" and are not primordial, as vernacular nationalists would like to believe. The vernacularization of Sanskrit began in the ninth century as Kannada and Telugu became the languages of literary and political expression in the courts of the Rashtrakutas and Chalukyas. Hindi was fashioned by Sufi poets in principalities like Orchha and Gwalior in the fifteenth century. Bearers of these languages were the elite and not the people, as Gramsci and Bakhtin made us believe. Our consciousness of a "mother tongue" did not even appear until the Europeans arrived. Languages are evolving things and we ought not to do too much social engineering. Vernacular nationalism is bad because it goes against people's wishes for learning English. Instead of encouraging them by creating more English teachers, nationalists thwart their democratic aspirations. Meanwhile, instead of worrying about our phantom losses, let us celebrate our potential gains. Let's celebrate cool English!

In the first chapter of this book I told a story about how I got my name. But it was an incomplete tale. I used to be called Ashok Kumar until the age of three. Like all Indian names, it had a meaning—the "prince of happiness" in this case. My grandmother, however, suspected my mother had given me this name because she was secretly in love with a famous film actor from Bombay of that name. Thinking this an inappropriate state of affairs, she persuaded my father to take me to his Guru and get me a new name. And as I have described, he renamed me Guru Charan Das. So, overnight, I was transformed from the "prince of happiness" to the humble "servant of the feet of the Guru".

I think the Guru knew about the perils of hubris in human life and that I, in particular, needed to be reminded constantly about the virtues of humility. I have been privileged to meet many leaders, and I have concluded that the best ones shared two virtues. One is determination or will power and the other is humility. Oh, they were ambitious, but their ambition was for their organization. When asked about themselves, they invariably turned the question around to talk about their work or their organization (and you couldn't get them to stop). So, I think my father's Guru was on to something.

These days the word “guru” is increasingly associated with my name, but in another sense—as a “management guru”. I must confess that I have always believed that this latter guru stood for “good at understanding but relatively useless”.

Nations too need to be reminded about humility. Now that India has begun to rise economically, there are many who have begun to dream of “great power” status. For a country that was widely regarded as twentieth century’s great disappointment, it must feel good that the twenty-first has begun rather nicely. But I must confess that this nationalistic talk leaves me cold. I ask myself what is “great” about a “great power”. I learn more about India’s greatness when an old friend in New Jersey tells me that she has decided to return home to Tanjore because she cannot live without Carnatic music.

India’s greatness lies in its self-reliant and resilient people. They are able to pull themselves up and survive, even flourish, when the state fails to deliver. When teachers and doctors do not show up at government primary schools and health centres, they just open up cheap private schools and clinics in the slums and get on with it. Indian entrepreneurs claim that they are hardier because they have had to fight, not only their competitors, but also state inspectors. In short, India’s society has triumphed over the state.

Larry Summers, the former President of Harvard University, is right when he says that the Americans have got it all wrong. The first quarter of the twenty-first century will be remembered in human history not for 9/11 but for the rise of China and India, an event that is as momentous as the coming of the Renaissance or the Industrial Revolution in the West. The simple lesson that I take from this event is that open societies, free trade and multiplying connections to the global economy are the pathways to lasting prosperity and comity among nations.

New Delhi  
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