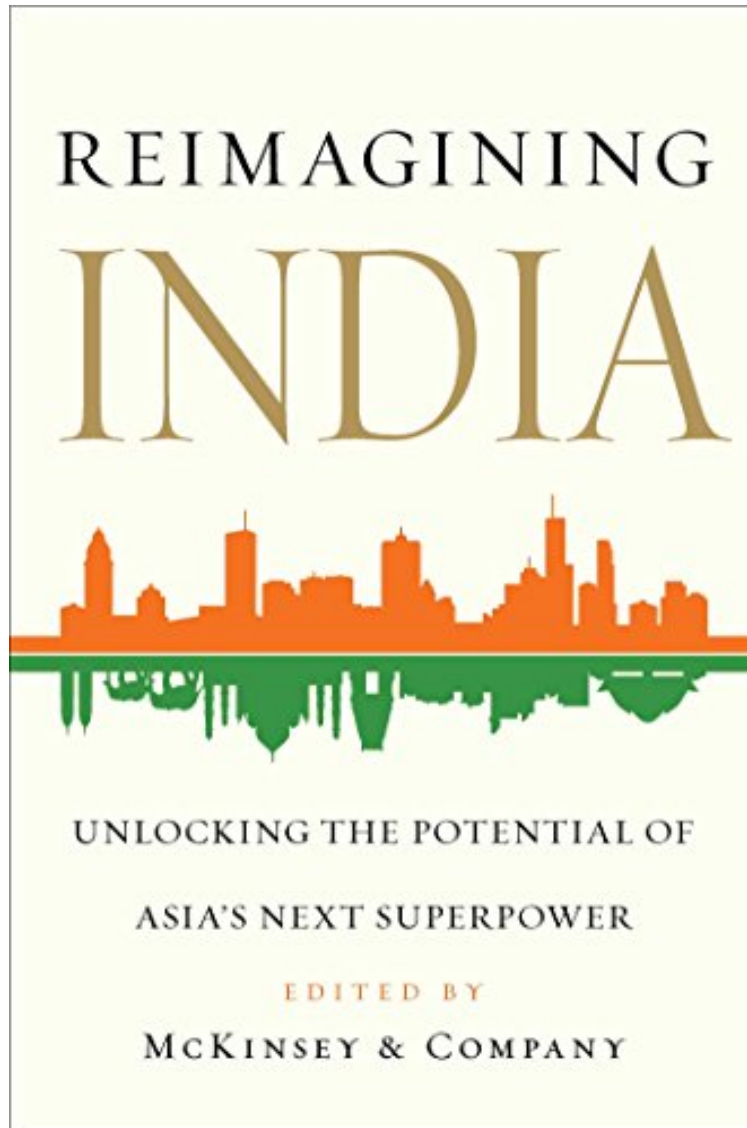


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Reimagining India: Unlocking the Potential of Asia's Next Superpower

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McKinsey Company Inc. : Reimagining India: Unlocking the Potential of Asia's Next Superpower before purchasing it in order to gauge whether or not it would be worth my time, and all praised Reimagining India: Unlocking the Potential of Asia's Next Superpower:

1 of 1 people found the following review helpful. Good collection of essays, with quite a bit of room for improvement
By Ezhil When I began reading this book, I was expecting to read some of the strategic visions and thoughts leaders and experts had for India, a thought experiment on where we were, where we are and, based on these

observations, what should be done to take India to the next level in the global stage, while empowering its people and advancing their socioeconomic state. This book satisfied most of that expectation. The first two chapters, "Reimagining" and "Politics Policy" have very interesting commentary on India as a nation and how its democracy compares to other nations around the world, the advantages it holds when compared to other political models, notably China, and how its political model is evolving from a centralized to a decentralized one with the passage of time. But for a couple of essays, these two chapters are arguably the best in the book. Unfortunately, I found quite a few essays after the first two chapters to be self-serving and at times irrelevant to the broader theme of the book. There were some essays which discussed the past and the present as a list of events while a few others discussed what they (and the organization they represent) have accomplished in India in the past, without offering a vision of (or "Reimagining") the future as they see it or a proposed plan/theory to achieve it, making them somewhat tedious and pointless to read. McKinsey's objective to not influence or censor any essay, while noble, offers the narrative a chance to veer off-course in many places within the book. And it does. Maybe some editorial oversight to keep the subject and content of the essays aligned with the broader goal of the book would have made this book more interesting and relevant. Overall, a good collection of essays but there is quite a bit of room for improvement to make the narrative taut and engaging. I wanted to rate it 3.5 stars but doesn't have half stars so going with 4 instead of 3.2 of 2 people found the following review helpful. The most comprehensive collection of ideas and visions of where India has been and where it's going.

By R. Roy I read this book during a two-week trip to Mumbai and Delhi. As an Indian-American, I've visited India (mostly Calcutta) to see family my entire life and could always only muster up an arms-length view of the real political and economic issues the nation has always grappled with. During this last trip, I feel I learned more about the political, historic, and economic climate of India and the challenges and opportunities it faces. It was almost like the ultimate guidebook for a business traveler. It brought context to the numerous conversations I had around the contentious election taking place in Delhi while I was there, it gave me a background on the way business works as I sat in meetings in Mumbai, and it pushed me to think about what Bollywood truly signifies or how Indian cuisine still hasn't taken its place next to Japanese and French on the world stage. Strong, strong recommendation.

0 of 0 people found the following review helpful. Informative, stimulating and sad.

By webwiz99 This is a series of shorter well-written essays about the potential of India to transform and uplift its people and be a force for production and equalizing people's opportunities in their nation and on the international stage. The various highly professional and knowledgeable authors excited me with their creative ideas and the potential that they assessed. But, in each case, the enthusiasm was depleted because of the repeated lack of promise of strong, central, ethical leadership. The ideas are not so new and complex. Why have they not done these things long since? Given the history of the country since independence, the extraordinary corruption, the shortsightedness, the venality of the educated and leadership, all I could think of was "you can't get there from here." I found it impossible to imagine how the opportunities could be galvanized. Such a waste. But the articles are very interesting to read in their diversity and thoughtfulness. If I were a poor person of India reading these, my thoughts would lead to despair.

Reimagining India brings together leading thinkers from around the world to explore the challenges and opportunities faced by one of the most important and least understood nations on earth. India's abundance of life—vibrant, chaotic, and tumultuous—has long been its foremost asset. The nation's rising economy and burgeoning middle class have earned India a place alongside China as one of the world's two indispensable emerging markets. At the same time, India's tech-savvy entrepreneurs and rapidly globalizing firms are upending key sectors of the world economy. But what is India's true potential? And what can be done to unlock it? McKinsey Company has pulled in wisdom from many corners—social and cultural as well as economic and political—to launch a feisty debate about the future of Asia's other superpower.

Reimagining India features an all-star cast of contributors, including CNN's Fareed Zakaria; Mukesh Ambani, CEO of India's largest private conglomerate; Microsoft founder Bill Gates; Google chairman Eric Schmidt; Harvard Business School dean Nitin Nohria; award-winning authors Suketu Mehta (Maximum City), Edward Luce (In Spite of the Gods), and Patrick French (India: A Portrait); Nandan Nilekani, Infosys cofounder and chairman of the Unique Identification Authority of India; and a host of other leading executives, entrepreneurs, economists, foreign policy experts, journalists, historians, and cultural luminaries. These essays explore topics like the strengths and weaknesses of India's political system, growth prospects for India's economy, the competitiveness of Indian firms, India's rising international profile, and the rapid evolution of India's culture. Over the next decade India has the opportunity to show the rest of the developing world how open, democratic societies can achieve high growth and shared prosperity. Contributors offer creative strategies for seizing that opportunity. But they also offer a frank assessment of the risks that India's social and political fractures will instead thwart progress, condemning hundreds of millions of people to enduring poverty. Reimagining India is a critical resource for readers seeking to understand how this vast and vital nation is changing—and how it promises to change the world around us.

“A clear, illuminating study for all readers, business and academic.” (Kirkus Reviews) “Reimagining India gives global business leaders, once silent on the subject, a chance to voice their opinions about India.” (Harvard Business Review) “The book is quite rich in analysis and benefits from the multiple perspectives and information Reimagining India should appeal to both the specialist and the generalist readers alike.” (New York Journal of Books (online)) “In a book this dense and rich, there's enough to read, and in nice bite-sized packets, too.” (Business-Standard) “Impressive.” (Financial Times)

About the Author CLAY CHANDLER is Asia editor for McKinsey's global publishing division. He is former Asia editor of Fortune magazine and has covered global economics for leading publications including the Washington Post, where he served as Washington, DC-based chief economic correspondent and Hong Kong-based Asian economic correspondent, and The Wall Street Journal, where he was Tokyo correspondent. Clay is a graduate of Harvard University, and was co-editor of the McKinsey-led volume *Reimagining Japan: The Quest for a Future That Works* (Shogakukan, 2011). ADIL ZAINULBHAI is chairman of McKinsey India. Over the course of his thirty-four-year career at McKinsey he has served clients around the world and in a wide range of industries—among them public companies, government-owned companies, entrepreneurs, and startups. He also has advised governments on social and development issues. A Mumbai native, he returned to his hometown in 2004 as McKinsey's managing director for India. Adil holds an engineering degree from the Indian Institute of Technology, Mumbai, and an MBA from Harvard Business School. MCKINSEY COMPANY is a global management consulting firm, deeply committed to helping institutions in the private, public, and social sectors achieve lasting success. With over 100 offices in more than 60 countries, the firm is a trusted advisor to 90 of the world's top 100 companies.

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Reimagining India foreword Dominic Barton and Noshir Kaka

By the time Alexander the Great reached the Indus River Valley in 326 BCE, he had vanquished three formidable empires: Syria, Egypt, and Persia. But on a rainswept night on the banks of the Jhelum, an Indus tributary, the Macedonian conqueror's quest for global domination collapsed at the hands of a Hindu king. Greek historians called Alexander's Indian foe Porus. According to their record, he stood seven feet tall and commanded an army of thirty thousand soldiers and two hundred war elephants. After an all-night battle waged in a howling monsoon, Alexander eventually forced Porus to surrender. But it was a hollow triumph. By Indian standards, Porus was a minor raja. The Magadha emperor, who ruled the lower Ganges River to the east, had many times more men and elephants. Alexander's men, exhausted and terrified by the prospect of battling another giant Indian army, mutinied, compelling Alexander, the most successful military commander in ancient history, to turn back home. Modern visitors, too, can find India overwhelming. Passengers disembarking at Indira Gandhi International Airport's gleaming new third terminal are greeted by the Nine Mudras, an installation of colossal metallic hands looming above the Immigration counter. The hands, according to their designers, are arranged in delicate gestures from yoga and Indian classical dance to symbolize reassurance, benevolence, “the oncoming of novel tidings,” and the “linkage between the individual and the ever-throbbing life force of the universe.” Travelers proceed under the Mudras, through baggage claim and customs, along the air-conditioned arrival hall adorned with posters celebrating “Incredible India” and then out onto the curbside, where they are plunged headlong into “ever-throbbing” life—and plenty of it. An abundance of life—vibrant, chaotic, and tumultuous—has long been India's foremost asset. As Western economies struggle to recover from global recession, India's multitudes earn it a place alongside China as one of the world's two indispensable emerging markets. India, with 1.2 billion people, half of them under the age of twenty-five, is expected to overtake China as the world's most populous nation before 2025. In good years, India's sprawling economy has shown itself capable of growing as rapidly as China's; in 2006 and 2007, Indian GDP surged 8.5 percent. In 2012, according to the Organisation of Economic Cooperation and Development, India likely eclipsed Japan as the world's third-largest economy. Asia's “other superpower” has many strengths. Indian business leaders, unlike their Chinese counterparts, are at ease in global markets; many, if not most, are fluent in English and graduates of leading business schools in the United States and Europe. With increasing confidence, CEOs of India's leading companies are venturing overseas, making headlines with high-profile acquisitions such as Tata Group's purchase of Jaguar and Land Rover or Bharti Airtel's acquisition of Zain's African telecommunications business. Indian software giants like TCS, Wipro, and Infosys have emerged as global technology leaders, thanks partly to the skills of the thousands of world-class engineers who graduate each year from the country's famed Indian Institutes of Technology. Indian companies are thriving in other key sectors such as pharmaceuticals, petrochemicals, and steel, demonstrating a capacity for efficiency and innovation that is changing the global competitive landscape. India's banking system and equity markets are well regulated and far more open to foreign participation than China's. India's currency, unlike China's, trades freely. It is often argued that India, with its wildly pluralistic society, fractious democratic political system, and boisterous independent media, has the potential to show the world's other emerging markets that ethnic homogeneity and authoritarianism aren't the only—or even the best—path to successful economic development. But there it is, that word “potential”; it crops up all too often in conversations about India. As consultants we hear it again and again, from business executives, government officials, and opinion leaders inside and outside India. Today, almost seventy

years since shaking off the yoke of British imperialism, India is reclaiming its historical prominence in the world economy. It has congratulated itself for “rising” and “shining”—but is it doing so as quickly or as brightly as it should? As *Reimagining India* goes to print, there is growing anxiety, fueled by a severe market downturn, that the burst of economic liberation of the 1990s and the decade of rapid growth that followed have given way to deadlock and complacency. Manmohan Singh, the celebrated architect of the 1990 reforms and now India’s prime minister, has vowed to “take all possible steps” and do “whatever is necessary” to curb government spending and stabilize the economy. But the questions linger: What steps are possible for India? What is the nation’s true potential? And what can be done to unlock it? This book is an effort to encourage discussion and debate about those questions. *Reimagining India* follows the spirit and format of *Reimagining Japan*, a McKinsey-edited essay collection published in the wake of the “triple disasters” of earthquake, tsunami, and nuclear crisis that struck Japan in 2011. As with the Japan book, we have sought wisdom from many dimensions, social and cultural as well as economic and political. We have solicited essays from India’s leading business executives, CEOs of some of the world’s largest multinationals, economists, investors, entrepreneurs, scholars, journalists, artists, and athletes. Readers will, of course, find essays here on the strengths and weaknesses of India’s political system; growth prospects for India’s economy; the competitiveness of Indian firms; and Indian foreign policy. Other contributions explore how India might harness the power of new technologies, improve its infrastructure, expand access to health care, revamp its educational system, rethink its energy strategy, and halt destruction of its environment. But there are also essays on “softer” topics such as Bollywood, cricket, Indian cuisine, chess, classical dance, and India’s bid for a stronger performance in the Olympics. The result, we think, is a collection of ideas and expertise without parallel in any other volume. These are independent voices. McKinsey made no effort to censor or influence the views of any contributors other than to press them to express their ideas as sharply and clearly as possible. While McKinsey consultants have contributed a few essays to this volume, *Reimagining India* is not the product of a McKinsey study; neither is it meant as a “white paper” nor coherent set of policy proposals. Rather, our aim was to create a platform for others to engage in an open, free-wheeling debate about India’s future. No vision for India’s future can be complete without an awareness of India’s extraordinary past. The subcontinent was home to some of the most sophisticated early human civilizations. Critics of India’s modern infrastructure would do well to recall that inhabitants of Mohenjo-Daro and Rakhigarhi built the world’s first-known urban sanitation systems five thousand years ago and may have been the first to use wheeled transport. For centuries after Alexander’s departure, India was governed by powerful Hindu dynasties who patronized the arts and took keen interest in religion, philosophy, and practical science. Megasthenes, the first Western historian to venture beyond the Punjab into the Gangetic plain, described a land so verdant and fertile that “famine has never visited India and there has never been a general scarcity in the supply of nourishing food.”¹ Venetian traveler Marco Polo, who claimed to have visited several ports in India during his 1292 voyage from China to Persia, declared Malabar (now Kerala) on India’s southwest coast to be the “richest and most splendid province in the world.” In 1603, when English merchant John Mildenhall presented himself at the court of Akbar, the Mughal emperor, clutching a letter of introduction from Queen Elizabeth, Mughal India was the world’s richest nation, accounting for as much as a quarter of the global economy.² Akbar, whose empire stretched from Kabul in the north to the Deccan Plateau in the south, was by far the world’s most powerful man. At his court in Fatehpur Sikri, notes British historian Alex von Tunzelmann, Akbar lived in “unmatched opulence . . . in rooms done out with marble, sandalwood and mother-of-pearl, cooled by the gentle fanning of peacock feathers.” By comparison, Elizabeth was “a weak and feeble woman” who ruled over a “grubby, unsophisticated, cold, dismal little kingdom.”³ And yet, a century and a half later, that dismal little kingdom was a rising naval power and the Mughals in disarray. By 1757, the East India Company, the fledgling British firm Elizabeth granted a royal charter to trade with India, was strong enough to seize control of the entire subcontinent. Direct administrative authority for India was transferred to the British crown after a bloody uprising in 1857, where it remained until India emerged as an independent nation in 1947. Many of our authors cite the transition from colony to nation as India’s original act of imagination. With its riot of different races, religions, languages, and castes, India was, in its first decades, mostly an idea in the minds of its founders. As Fareed Zakaria reminds us in this volume’s opening essay, pre-independence India was a loose confederation of shifting power centers, alliances, and local traditions—nothing like the single-religion, single-culture nations of Europe. There was no guarantee modern India would hold together. The efforts of Jawaharlal Nehru, India’s first prime minister, to portray India as a diverse but unified polity, tracing a line from the early years of Indus Valley civilizations all the way to modern day, were mostly wishful thinking. In its first three decades, India was beset by wars on multiple borders and numerous tribal insurgencies and separatist movements that threatened to pull the nation asunder. The overwhelming preoccupation of its leaders was consolidating control of the central government. That effort overreached most spectacularly under the prime ministership of Nehru’s daughter, Indira Gandhi, whose efforts to weaken regional political rivals and tighten the central government’s grip only fanned the flames of rebellion. Early approaches to economic policy followed a similar dynamic. Nehru’s thinking about

the relationship between the state and private enterprise was steeped in ideas of Fabian socialism that had captivated him as an undergraduate at Cambridge; he was an ardent admirer of Soviet-style central planning. Indian business leaders contributing to this volume can attest to the difficulties of trying to run a business under India's "license raj"; the elaborate tangle of permits, permissions, and regulatory red tape that stifled nearly any form of entrepreneurial activity in the first four decades after independence. A 1991 balance of payments crisis—and the humiliation of the Reserve Bank of India being required to airlift sixty-seven tons of gold to London to secure an emergency loan from the International Monetary Fund—forced the government of Prime Minister Narasimha Rao to loosen its stranglehold on a host of key industries. Those reforms may have been compelled by crisis but, as Reliance CEO Mukesh Ambani points out, they were "visionary and bold"—as the rapid growth of Reliance itself underscores. Indeed, liberalization, and the burst of entrepreneurialism and growth that followed, can be described as India's first effort to "reimagine" itself. The premise of this book is that powerful forces at work since the 1991 reforms—and partly accelerated by them—have created another moment for "visionary and bold" change. Growth, globalization, and the spread of technology are bringing India together in a way that facilitates new conversations about a collective national future—conversations that might not have resonated twenty or even ten years ago. Zakaria is one of many observers who hails the expansion of India's middle class—a group "whose interests transcend region, caste and religion"—as a powerful force for unification; indeed, he sees the recent spate of mass demonstrations in India, protesting official corruption and the brutal rape of a young woman in Delhi, as calls by a unified middle class for the Indian government to fulfill its basic duties. Popular culture, too, has played an important role in bringing Indians together, as explored in the essays by writer Jerry Pinto on Bollywood and sports broadcaster Harsha Bhogle on cricket. But it must also be said that the idea of India itself has inherent power. Over time, Indians have embraced the notion that, whatever their other differences, they are part of a single nation. Brown University political science professor Ashutosh Varshney argues in his essay that "regional diversity no longer poses an existential threat to India. The primary objective of India's federal design was to weave a nation out of its many diverse parts and protect national integrity. In that, India's federalism has largely succeeded." As Indian Express editor Shekhar Gupta puts it: "It is only now when India has subsumed its many rebellions and moved on from the politics of anger and grievance to the politics of hope and aspiration, that our nation is in a position to leverage its success as a liberal, diverse democracy." What better moment, then, for a new round of reimagining? The essays in this volume make clear India has no shortage of urgent challenges. Among the issues raised by our contributors: The role of the state: Gurcharan Das, a libertarian and former head of Procter Gamblers' India operations, argues that India can't fully unleash the creative power of its businesses and entrepreneurs without help from a strong liberal state. For decades, he argues, India's private sector has celebrated its ability to succeed despite overregulation and bureaucratic meddling, an idea expressed in the aphorism that "India grows at night" when the government is sleeping. "How," he asks, "can a nation maintain robust economic growth with a weak, flailing state? Shouldn't India also grow during the day?" Succeeding despite the state may be heroic, but it is not sustainable. Morgan Stanley emerging markets expert Ruchir Sharma, however, argues that the solution for India is further decentralization. India's states and regions must be left to pursue their own economic policies, he contends. "The rise of the states is a sign of India's maturity." In an increasingly federal nation, the dynamism of the state leaders is countering the ineffectiveness of the center. Industrialist Anand Mahindra agrees: "The best way to propel the economy may be to encourage different parts of the country to go their own way." MIT scholar Yasheng Huang, for his part, takes issue with the oft-heard assertion that the reason China's economy has grown more rapidly than India's is that the former has one-party rule and an authoritarian government while the latter is a democracy. Democracy does no harm to growth, Huang insists; he dismisses the notion that authoritarian regimes are better able to engineer economic miracles as a "fable" predicated on a flawed analysis of political and economic data. Embracing competition: Many contributors lament India's ambivalence about competition. Several note India's reluctance to allow foreign multinationals into Indian markets. But Harsha Bhogle's essay on cricket examines how creating greater equality of opportunity helped make India a global superpower in the game. Geet Sethi considers what it will take for India to field a contingent of truly competitive Olympic athletes. Novelist Manu Joseph, meanwhile, highlights the hypocrisy of India's middle classes, who decry family patronage in politics and reservations for members of disadvantaged castes, while they themselves live in a "paradise" of entitlement and protected privileges. The quest for inclusive growth: A recurrent theme in many essays is the importance of ensuring that the benefits of economic growth are widely shared. Authors acknowledge there are no easy solutions to this challenge, but many express hope that technology can help India close the gap between rich and poor. Education is one area where technology has vast potential to reduce inequality. Digital educators Salman Khan and Shantanu Sinha contend the world is on the verge of another "printing press moment" which will break the elites' grip on the essentials of education, making available to millions of aspiring learners online knowledge and ideas once restricted to the lecture halls of Harvard or Stanford. K. Srinath Reddy sees similar possibilities in health

care, citing the example of the Swasthya Slate, a tablet device that enables users to perform various diagnostic tests including electrocardiograms, as well as blood sugar, blood pressure, and heart rate readings. Former Infosys CEO Nandan Nilekani, now head of the government's unique identity program, explains how his agency is using digital and biometric technologies to help low-income Indians gain access to government services and benefits to which they are entitled. Innovation and leapfrogging: Venture capitalist Vinod Khosla is one of a number of authors who argue that as a developing nation India should employ a "leapfrog mentality" to find unique new pathways to a better future—not only in education and health, but in areas like energy and infrastructure. So, for example, rather than blindly following in the footsteps of developed countries by trying to build more highways to accommodate more cars, India should think about what would be the best transportation system for self-driving vehicles. Khosla is one of several authors who urge India to do more to help new players and entrepreneurs rather than simply conferring benefits on established firms. Sustainable development: Former Shell Oil executive Vikram Singh Mehta deplors India's counterproductive, contradictory energy policies. Vedanta chairman Anil Agarwal wonders why India lags so far behind in exploring its vast mineral wealth. Historian Ramachandra Guha counters that over the past twenty years India has rolled back many of the sustainable environmental policies it had begun to put in place, and is encouraging a Western-style consumer culture that imperils the planet's future. "India today," he writes, "is an environmental basket case, marked by polluted skies, dead rivers, falling water tables, ever-increasing amounts of untreated wastes, disappearing forests." Finding India's place in the world: We are delighted to be able to feature in this volume essays by an extraordinary lineup of foreign policy thinkers. Bill Emmott urges India to revive Nehru's expansive vision for India as regional leader in Asia. Stephen P. Cohen, Ahmed Rashid, and Bruce Riedel offer specific advice on how to fine-tune India's relations with, respectively, Pakistan, Afghanistan, and the United States. A team of McKinsey consultants makes the case that India's companies, too, must take a more expansive international role—and offers a number of specific suggestions for how they might do so. Aditya Birla Group CEO Kumar Mangalam Birla shares his experiences leading one of India's most successful global transformations—and confides that one of his most unexpected challenges was deciding whether to put meat on the menu in company cafeterias. Menus are also on the mind of restaurateur Rohini Dey, who offers a ringing manifesto for transforming foreign perceptions of Indian food, banishing "all-you-can-eat buffets" with "mushy, overcooked fare swimming in oil and nuclear food dyes" so that Indian food may take its rightful place as a genuinely global cuisine. Ogilvy CEO Christopher J. Graves, meanwhile, shares his thoughts about "Brand India," arguing that the "Incredible India" campaign could use a dose of credibility. Defining India's identity: Anand Giridharadas explores a different dimension of the Indian identity. The focus of his interest is not national but individual—how Indians are reimagining themselves. For individuals, he argues, the Indian dream is "the dream of self-invention: of having the freedom and the means of authoring yourself into being. Your caste, your class, your native place, your religion, your parents' occupation, your family dietary habits—all these things be damned. It is the dream of becoming yourself, free of history and judgment and guilt." In a way, India as a nation is engaged in something like that. Some of the deepest questions in Indian religion and philosophy swirl around the idea of karma. In its most simplistic form, the notion of karma suggests one's destiny is fated, predetermined by some prior act in another existence. But karma also provides for free will and the possibility that through one's own choices and actions, one can influence the trajectory of fate. What we find so heartening about all the essays in this volume is that they remind us that modern India is in control of its own destiny. India's people hold the power to unlock their nation's full potential. Achieving that vision, however, will require all Indians to work together. Bill Gates, in his essay, recounts how India's people did exactly that in fighting polio. About that effort, he writes: "India has shown the world that when its people set an ambitious goal, mobilize the country, and measure the impact, India's promise is endless. India has miles to go in this quest, by any measure, but it has shown it has the will and means to realize its full potential." We couldn't agree more. —August 2013

1. J. W. McCrindle, *Ancient India as Described by Megasthenes and Arrian* (Trubner Co., 1877), p. 32.
2. Angus Madison, *The World Economy*, vols. 1-2 (OECD Publishing, 2006), p. 638.
3. Alex von Tunzelmann, *Indian Summer: The Secret History of the End of an Empire* (Henry Holt, 2007), p. 13.