



**Keynote Address at
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***“Entrepreneurship – Gateway to Economic
Development”***

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Truth is that



“ More than 300 million people in India still think that Indira Gandhi is the Prime Minister ”

Rajendra Pratap Gupta



Understanding India better



- ▶ During the Pre-independence period India was an *Agrarian Economy*
- ▶ From Independence till 70's - *Industrial Economy*
- ▶ Currently we are a *Knowledge & Service Economy*
- ▶ Agriculture contributes to 20 % of GDP & Supports 65 % population
- ▶ Agriculture recorded a negative growth in 2009.



Is our economy growing ?



“ Our Economy is not growing . Yes some sectors that are in a “few hands” are doing well like Mining & Manufacturing (18 -22 % of our GDP), Exports (13 % of our GDP) .These sectors together are about 40 % of our GDP . This is further validated by the fact that 120,000 HNI’s (0.01 % of our population) control 1/3rd of our GDP ”

- Rajendra Pratap Gupta



Understanding Poverty



Poverty as a % of the total population

- ▶ According to Arjun Sen Gupta Report – BPL is 77 %
- ▶ According to Suresh Tendulkar committee BPL is 41 %
- ▶ According to the planning commission BPL is 29 %
- ▶ According to the CIA World Fact book (2010), India has 456 million people living at < 1.25 \$ day
- ▶ 8 Indian states (421 Mn.- Bihar , M.P. , U.P., W.B., Orissa, Chhattisgarh , Rajasthan & Jharkhand) have more poor than 26 poorest nations in Africa combined (410 Mn.) -According to UNDP



BPLwhat is the basis of calculation ?



400 million people according to the Arjun Das Gupta Report live below Rs.20/ day

- ▶ **Morning tea with break fast will cost you atleast Rs. 5**
- ▶ **Lunch Rs. 10**
- ▶ **Evening Tea Rs. 2**
- ▶ **Dinner Rs. 10**

This totals to Rs. 27

- ▶ **What about the daily cost of clothes , healthcare , shelter , savings for old age and unforeseen contingencies !!**



Understanding India better – 1/ 3rd India Rule



- ▶ **1/3rd Rule applies to the entire Nation & every sphere & sector**
- ▶ **Out of a 1.2 Bn population , only 1/3rd of the population constitute the upper & Middle class; rest 2/3rd are BPL**
- ▶ **The GDP per capita in rural India is just 1/3rd of that of Urban India**
- ▶ **1/3rd of the nation is aged above 35 years & 2/3rd of the nation is youth**
- ▶ **Only 1/3rd of the funds meant for development are used .**
- ▶ **India talks about 635 Million cell phones (2010). If you discard the discontinued sim cards / multiple cell phones – Approximate number of cell phone users is just 1/3rd i.e. 200 Million**



Understanding India better – Youth



- ▶ **34.8 Crore youth are in the age group of 15- 34 years**
- ▶ **24 Crore youth are in the Economically active age group 20-34 Years**
- ▶ **8.9 Crore youths are matriculation or above**
- ▶ **Approximately 5 Crore youths are graduates**
- ▶ **Approximately 1.5 Crore are Science Graduates**

Else , the Demographic Dividend will become Demographic Disaster

If we channelize & Harness the power of the educated youth , India can head for being an 'Innovative Superpower'



R.P.Singh is a M.A. in political Science ,and is lucky enough to work as a security guard in F66 , South City I in Gurgaon . How many of us have used our degrees ? Barring a few professionals , we rarely use our degrees . It is time to consider; do we need education or training or training with education ? We need a radical change !

How many universities run a degree in vocational studies and entrepreneurship ?

With current policies , we will not catch up with China , but our gap will further increase .

Time to go the entrepreneurial way



Understanding India better – Tech-no-logic



- ▶ India has 0.74 % broad band penetration & we are investing heavily into it
- ▶ India has 8 million tribals
- ▶ 50 % of Adivasi's and 32 % of dalits fall under BPL (2010)
- ▶ 683 million people defecate in the open
- ▶ 25 % of all districts are under naxalites
- ▶ 2/3rd of India lives in abject poverty





Understanding India's Challenges



- ▶ 65 % of our population has an uncertain future (Rural India)
- ▶ People are migrating to urban India & leaving agriculture , thereby creating an imbalance that is disastrous
- ▶ 56 % of women are anemic in the age group of 15-49 Years
- ▶ Approximately 5 Crore youths are graduates (1.5 crore Science graduates)
- ▶ We have 15 crore savings bank accounts (Total Inclusion !!)
- ▶ 25 % of the districts are under Maoists

Today the government can sell the PSU's and bridge the budgetary deficit , but what will be left for us to sell in another 25 years !! So, we need to create valuable assets for future , and this calls for entrepreneurs



Understanding India's Challenges



- ▶ 30 Million go below the poverty line every year due to healthcare costs
- ▶ Pentakota in Orissa has one school for 40,000 people (Many more !)
- ▶ It will take 320 years to clear the judicial backlog . Every judge has 2147 cases
- ▶ Black market money is worth Rs. 6 lac crore
- ▶ We have a lot of ceremonial posts that are a drain on our taxes which we pay every day

We suffer from a serious problem of powerful announcements and powerless execution



Options for the youth : if you do not have a Job.....



- ▶ **Keep studying , if you can afford to .**
- ▶ **Do a job like being a taxi driver , rickshaw puller or have a small pan-bidi shop or do house hold chores**
- ▶ **Take to occasional crime to fund your living**
- ▶ **Become a local goon and extort money**
- ▶ **Be a drug peddler or drug addict**
- ▶ **Become a naxalite**

Problem is that we don't have enough jobs for educated people , and where we have jobs , we have "educated" but "unskilled" people



If you are an entrepreneur



- ▶ **3G presents a unique opportunity for break-through value proposition**
- ▶ **Tourism & Travel**
- ▶ **Primary health – Rural health – Telemedicine**
- ▶ **Vocational training**
- ▶ **Restaurant & food business**
- ▶ **Food processing**



If you are entrepreneur



- ▶ **Herbal & Organic farm products**
- ▶ **Spiritual tourism, Yoga & Ayurveda**
- ▶ **SME's in different sectors**
- ▶ **Security Sector**
- ▶ **Real estate**
- ▶ **Solar energy**



Changing India is an onerous task ..



- ▶ **Arrogant & inefficient bureaucracy**
- ▶ **Defunct judiciary**
- ▶ **Monarchial & corrupt politics**

In the current set up , where two business houses pay 10 % of the total tax collections , “Surname” decides entitlement , where corruption is cancer undergoing metastases , and with just 5 crore graduates , of which most of them are struggling to keep their jobs , It is hard to imagine a drastic change when votes count, voters don't

- Rajendra Pratap Gupta



How many jobs India needs to create ?



- ▶ **Current unemployment is 10.7 % (2010) : 110+ Million**
- ▶ **We add 17+ million people to our population every year**
- ▶ **170 Million people will enter our workforce in the next 10 years**
- ▶ **Current unemployment + New work force = 280 million**
- ▶ **We cannot create jobs without entrepreneurship at all levels across sectors**



**“ We reduced the age for voting , but we still have to ratify the
minimum age convention (no.138) of ILO ”**
- Rajendra Pratap Gupta



“ 600,000 villages , 7000 towns and 200 million job seekers in a hi-tech world presents a formidable challenge and an unique opportunity for entrepreneurs ”

- Rajendra Pratap Gupta



“ If we do not take our development to rural India , rural India will endanger our development . The time has come for our policy makers to stop giving “high octane” Independence day speeches from the Red Fort , and go to Lalgarh , Basti & Srinagar and work to address the real issues at the ground level ”

- Rajendra Pratap Gupta



Believe in Entrepreneurship . There is no limit



- ▶ ***Everything that can be invented has been invented.***

Charles Zuzuell, Director, US Patents Office, 1899

- ▶ ***There is to be a world market for just 5 computers.***

Thomas J. Watson

- ▶ ***Digital television defies the law of physics***

US Congressional Committee

Legions of naysayers held that the Bulb, the Steam Engine ,& the airplane were impossible



We need Innovative entrepreneurship in the

Rural

Education

Agriculture

Livelihood

World

- Rajendra Pratap Gupta



“India is getting into an “Economic Bubble”. As the vast portion of India does not benefit out of our reforms , social upliftment still remains a ‘Policy talk” that does not address the “need gaps” of 700 million people. We need to accept that we are fast becoming an unstable economy with unrest all across ; To the world , we are misleading with the statistics of 1.2 billion population & projecting them to be the biggest consumers of future - the so called ‘bottom of the pyramid’ . ”

Rajendra Pratap Gupta



Bottom of the Pyramid (BOP)



“Innovation to me is like converting the **Unfortunate** at the BOP to **Fortunate** at the BOP, so that we can have **Fortune** at the Bottom of Pyramid (BOP). We cannot innovate without entrepreneurs”

Rajendra Pratap Gupta



In India , we are trying to impact the lives of over 700 million people & this definitely requires a **revolution . India cannot 'beg' to get USA's attention, neither will its diplomacy work till India becomes a **technology superpower & an economic giant**; and this can only happen by **innovation and entrepreneurship in every sector****

- Rajendra Pratap Gupta



Entrepreneurs that changed India



- ▶ **Dhirubhai Ambani – Fire to succeed let this fuel station attendant to set new benchmarks – Polyester & Refining**
 - ▶ **Sunil Bharti Mittal – Telecom**
 - ▶ **Laxmi Niwas Mittal – Iron & Steel Industry**
 - ▶ **Bhai Mohan Singh - Pharmaceuticals**
 - ▶ **Munjals – Two wheeler industry**
 - ▶ **Anil Agarwal – Metals**
 - ▶ **Dr.Prathap Reddy – Healthcare**
 - ▶ **Naresh Goyal – Aviation**
 - ▶ **Dr.Anand Velumani – Diagnostics**
-List goes on



“Creating jobs won’t help us , subsidizing unemployment will sink our economy and demotivate our youth – Entrepreneurship is the only gateway for growth and development ”

Rajendra Pratap Gupta



“When everything else is failing , we are left with one hope , and that is the ‘Power of youth’ to drive this nation ahead . ”

Rajendra Pratap Gupta



“Historically , India has been the place of adventure and entrepreneurship . We were having the maximum share of the world trade in the 18th century . If youth set their eyes , minds and hands on this goal , we will be back to that glorious age ”

Rajendra Pratap Gupta



“ Fortune 500 companies were not created by rich and elite, every Fortune 500 company came out of an idea , a passion to serve & change the world . Now that the business cycles have been reduced to 10 years from the earlier 50 years, it’s your time to create something that we all can be proud of in India ”

Rajendra Pratap Gupta



“Mere entrepreneurship will not help, we need innovative entrepreneurs to create the future fortune companies from India in different sectors

If you really aspire and work diligently , 6 out of top 10 companies globally should be from India . India should set the foot on 5 out of 10 planets that the world will explore in the next 25 years, 30 % of all commercial patents should be from India , and India should be a “Responsible Superpower” in the next 15 years . ”

Rajendra Pratap Gupta



Thanks

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Disclosures & Acknowledgements



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