

a Citizens Movement for Transformation of India

## Human Resource Education & Training

# Transforming INDIA

Governance Economy & Enterprise

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## Action Plan for GDP growth rate of 10% to 14% per year

	Suggested Priority for different areas within the Economy	%
1	Governance & Administration	10%
2	Relevant Education & Training - Primary & Secondary Education	10%
3	Manufacturing - Importance of SME's (SME's are 90% of GDP. SSI is only 7% of GDP)	20%
4	Travel & Tourism as an Enterprise	10%
5	Health Care as an Enterprise	10%
6	Education & Training as an Enterprise - Vocational & Higher / Technical / MedicalEducation	10%
7	Software & I.T. as an Enterprise	10%
8	Agriculture & agriculture related Enterprises in Rural India	20%
9	Exports of items 2, 3, 4, 5, 6, 7 & 8 - Maximize! Maximize! Maximize!	<b>↑</b>

i Watch works on these issues ......For details see our Publications & Site

## 1. Education ......because, here are some reasons

- 1. Drop-out rate between KG to Class 10+2 is 90% to 93%
- 'License Raj' in Higher & Technical education, restricting growth, R&D, quality and capacity.
- Cash out-flow of about US\$10 billion per year for Indian students leaving India for foreign Universities, because of lack of seats and quality education within India. These funds enough to build 40 IIM's & 20 IIT's per year! It is estimated that about 120,000 students leave every year for foreign studies. 50% opt for a two year Masters course and the balance 50% for a four year Under Graduate course
- 4. Functional Literacy expected to be about 33% against Government's figure of about 64%, but China close to 93%
- 5. Gaps in Skills development. Hardly 0.50% of the working population covered at any given time versus required 7%, as in China and other countries
- India has 7750 foreign students while Australia has 343,000 foreign students
- 7. India has 1.1 million schools vs 1.8 million in China
- 8. India has 363 Universities vs 900 in China
- 9. India has 6000 Vocational Education & Training Institutes vs 500,000 in China

#### 2. Governance.....because, here are some reasons

- Rs.2,300 crores or US\$0.5 billion spent everyday by the 35 states and UT's of India to run the country. Are the citizens happy?
- Why is FDI into India hardly US\$8 billion / year vs US\$100 billion / year for China + Hong Kong?
- Tourist traffic into India is only 4 million per year vs 120 million per year into China?
- **4.** World Trade is about 0.8% against 8.0% for China
- 5. Agriculture productivity is 50% as of China
- 6. Life expectancy is 64 years vs 74 years in China
- 7. Electrical loss due to Transmission & other losses from Electricity boards vary from 25% to 50% in India vs 6% to 8% in China
- 8. Foreign Exchange reserves about US\$167 billion for India vs US\$1000 billion in China
- 9. HIV/AIDS affecting about 6 million people in India vs 0.85 million in China
- 10. 40% of all Fruits & Vegetables are damaged/destroyed due to poor farm management
- 11. India receives a lot of rain but because of poor water management we get floods or drought

### 3. Economy.....because, here are some reasons

- 1. Labour Laws do not allow level playing field for Indian organizations within present Global Economy.
- 2. Employment generation suffers because we look at Capital Intensive businesses rather than Labor Intensive ones.
- 3. India has only 1.8% of world GDP. Buying power is low, but demand is high due to high population of 17%. Exports is the answer. Enough emphasis not given so far in 59 years. SEZ's need to grow faster.
- 4. Infrastructure very inadequate for 1100 million people. Lot of talk but very little implementation.
- 5. India needs to cash in the advantage of purchasing power parity, (PPP) for it's World Trade.
- I.T.& software is only 5% of world Economy, India must look at the balance 95% of the World Economy.
- 7. Advantage of SME's not fully understood. Present definition not as per Global Standards as in EU, USA, Japan, China, etc. This is a big disadvantage to Indian business as 99.7% of all organizations in the world are SME's. SSI's are only 7% of India's GDP while SME's would be close to 85% to 90%. Ministry of Industry focus should change to Ministry of Economy



#### About the author

The Founder Trustee of i Watch, Krishan Khanna, is an IIT Kharagpur graduate in Mechanical Engineering, 1961 batch. In 1996 he was the recipient of the National Citizens Award presented by the Prime Minister of India.

Krishan Khanna worked 32 years as a technocrat, out of which, nearly 6 years in Germany and Japan. He is widely travelled in India as well as to all the 5 continents and has been involved with fourteen joint ventures / business partnerships with organizations from the USA, Canada, Brazil, UK, Sweden, Germany, Italy, Iran, China, Korea, Taiwan, Singapore, Japan and Australia.

In 1992 he took 'Sanyas' from the corporate world, gave up his professional and business career and started on a mission of service and the route was 'nation-building' and Transforming INDIA.

#### About this Book

In 1993 we had 4 pages A4 size. In 1997 it was 8 pages, which were also translated into 10 Indian languages. In 1999 the book had expanded to 16 pages, in 2001 to 24 pages, in 2002 to 28 pages, in 2004 to 32 pages, 36 pages in 2005, 48 pages in 2006 and now to 56 pages in 2007! The book is available in 12 Indian languages. The focus has always been the same. See insideback cover.

Watch has 3 divisions & focuses in the following 3 areas

1. Education & HRD Education 1st

2. Governance & Administration India 1st

3. Economy & Enterprise Economy 1st

India's GDP is about US\$ 720 billion. India's I.T. and software would be about 5 % of India's GDP. Therefore, I.T. and software is NOT everything! We need to understand the importance of the balance 95 % of the economic activity!

Here are some examples of other sectors of the world economy, only five other sectors have been considered.

- 1. Wholesale & Retail Business worldwide is US\$ 10,500 billion per year. 15 times of I.T.
- 2. Manufacturing Business, worldwide is US\$ 9600 billion per year. 11 times of I.T.
- 3. Tourism & Travel Business, worldwide, is US\$ 4700 billion per year. 6 times of I.T.
- 4. Health Care Business, worldwide, is a US\$ 2700 billion per year. 4 times of I.T.
- 5. Education Business, worldwide, is US\$ 2500 billion per year. 4 times of I.T.

I.T. is 2.0% to 2.5% of world GDP. Why so much importance only to I.T. in INDIA? This is a missed opportunity for GDP improvement & employment generation in India.Manufacturing alone accounts for nearly 70% of Govt. revenues!

#### Organizations which have supported us in the past

























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