Ex-CFO Infosys Mohandas Pai On Geopolitics, PM Modi & India's Economy...

Key Insights

Economic Growth and Development

- China's economic security is increasing as it becomes a client state of Russia, gaining access to valuable resources such as oil and minerals in Siberia, potentially surpassing the United States in GDP in 10 years.
- "When America agreed to China signed the WTO. They forgot that China could destroy the whole industrial base which China has done is shut down and the inflation being low in the last 20 years is because the Chinese Goods coming in because the wages are being suppressed in China."
- "India had a very strong industrial base after independence, but Nehru's economic policy of suppressing private capital hindered the country's growth."
- India's economy is projected to reach close to 5 trillion by 2026, with a growth rate of 12% for the next two years, driven by high consumption and significant investment of a trillion dollars annually.
- "Indian industry should now focus on global scale exports because no country has grown in human history without exporting." - Mohandas Pai emphasizes the importance of exporting and global competitiveness for India's industrial growth.
- "India is the country with the largest pool of human talent in IT in the world, and we are growing."
- "Mukesh Ambani is an absolutely brilliant man, his understanding of business, his willingness to take risks, unbelievable what he has done for this country."
- "We have filed the third largest number of patents and papers in the world, comparing with China, not a small country like the UK."
- "I see entrepreneurs, I see this excitement...technology is empowering every Indian, you see miracles happen in this country."

Social and Cultural Reforms

- "The Americans build a narrative of American exceptionalism to say they are the country which is very liberal inclusive great things, but there were deep fissures in the United States among people. Poverty was growing."
- The biggest challenge for Humanity for the rest of the century is an aging society and declining fertility.
- Women's education plays a crucial role in reducing fertility rates, as data in India shows that educated women have fewer children, regardless of their religious background.
- "The Uniform Civil Code (UCC) is the most important reform for India, ensuring equal rights for all Indian women in areas such as marriage, settlement, maintenance, custody of children, and adoption."
- "Nobody should advise anybody in this country unless they're willing to suffer the consequences of their advice...why do you want to advise me?" - Mohandas Pai emphasizes the importance of accountability and personal experience when giving advice in India.

Geopolitics and Global Power Dynamics

- "Now Putin is a major superpower because he has enough nuclear arms to destroy the world four times over."
- "China wants to make sure that India does not come up because they want to be the big hegemon in Asia."
- India's foreign policy under Prime Minister Modi has led to a positive shift in the Middle East's attitude towards India, with the region now seeing India as a long-term friend and equal partner.

Long Summary

India's growing economy, potential for development, and need for investment make it a key player in global affairs, but it faces challenges such as poor infrastructure, corruption, and an aging population.

[00:00](#) ▯ The war in Ukraine is seen as a continuation of the Cold War, with tensions between Russia and the West, while China's growing power and influence is causing shifts in the world geopolitical order, but India under Prime Minister Modi has taken the lead in global affairs and strengthened its economy.

-
  - The war in Ukraine is seen as a continuation of the Cold War, with the United States unable to accept Russia's growth and the Soviet Union's role in defeating Hitler, leading to a lack of understanding of Putin's intentions.
  - Russia, with its strong sense of national pride and desire for certainty and peace, has become a major superpower under Putin due to its possession of nuclear arms, and if NATO had allowed Russia to join, they could have formed a powerful alliance to counter China's influence.
  - Ukraine's potential NATO membership could lead to increased tensions with Russia, resulting in a power struggle and economic challenges for both Russia and Europe, ultimately requiring a diplomatic resolution between President Biden and Putin.
  - China's growing power and influence, along with its intentions to prevent India from becoming a major player, are causing shifts in the world geopolitical order, leading to unstable situations and the formation of alliances to counter China.
  - China's involvement in the Ukraine war benefits them economically and strategically, as they become a client state of Russia and gain access to valuable resources, but the West should engage with Putin to counter China's growing power.
  - Prime Minister Modi's visit to the U.S was a success as India has taken the lead in global affairs, pursued an independent foreign policy, strengthened its economy, and improved relations with the Middle East, while Pakistan has become irrelevant in India's foreign policy.

[16:29](#) ▯ America's economic overreach and massive debt, along with the diminishing influence of religion in international politics, may lead to its decline as a global power, while the speaker criticizes the outdated leadership in India and suggests the need for new leadership and a shift towards conservatism in the U.S.

-
  - America's economic overreach and massive debt, along with the diminishing influence of religion in international politics, may lead to its decline as a global power, despite its narrative of exceptionalism and inclusivity.
  - America's division between the rich and the poor, along with its broken society, was exposed by President Trump, revealing the country's economic power but also its deep social divide.
  - America needs to redefine itself and find a new way forward, accepting that democracy varies in different countries and avoiding extremist discussions, while also acknowledging the importance of nationalism and the need for a leader of exceptional ability to bring people together.
  - The speaker criticizes the outdated leadership in India, particularly the Prime Minister, who prioritizes giving rice to the population instead of focusing on higher education, skill development, and job

instead of focusing on higher education, skill development, and job creation, and suggests the need for new leadership like Vivek Ramaswamy.
    - The Supreme Court's recent decision on Roe v. Wade shows a shift towards conservatism, with the speaker criticizing the influence of academics and extreme leftists in U.S. politics and arguing that true liberalism respects everyone's right to their own opinion.
    - America is in turmoil and needs to remake itself, as it has too much debt and allows young people to enter their careers with two trillion dollars of debt, so the state should provide free or subsidized education to every young person.

[28:17]() ▯ The speaker discusses the global issue of declining birth rates and aging societies, highlighting the impact on countries like China, Japan, Korea, and India, emphasizing the importance of education for women and equal rights for all Indian women.

- - The speaker discusses the global issue of declining birth rates and aging societies, highlighting the impact on countries like China, Japan, Korea, and India.
    - India's fertility rate is declining, and by 2100, the population could be around 750-800 million, with the majority of population growth occurring in Africa, while education and poverty levels have a significant impact on fertility rates.
    - India's enrollment in higher education is 27.6%, with more women graduating than men, and the Muslim community, particularly Muslim women, have shown a high aspiration for education, making the Uniform Civil Code (UCC) an important reform for ensuring equal rights for all Indian women.
    - The speaker discusses the importance of education for women, as it leads to a decrease in fertility rates and an improvement in society, while also highlighting the issue of aging populations in countries like Japan.
    - The speaker emphasizes the importance of the Indian women's right to equality and the adherence to the Constitution, stating that those who want religion to prevail over these principles are welcome to leave the country.
    - Linguistic minorities in India, including Muslims, should be treated equally and have their economic rights protected according to the Constitution, regardless of individual preferences.

[43:23]() ▯ India's aging population and climate change are major challenges, with a lack of focus on solving the former; India has improved energy efficiency while its GDP has grown, and it is unfair to ask India and China to reduce energy consumption compared to countries like the US and UK; education, reduced consumption, and renewable energy are important for improving the economy; Nehru's economic policies and British suppression of private capital led to India's decline in economic growth; and the ruling class's elite attitude and British suppression hindered India's economic growth and forced migration to Bombay for better opportunities.

- - Aging population and climate change are major challenges, but while efforts are being made to address climate change, there is a lack of focus on solving the aging population issue, which requires social security measures and healthcare support for the elderly.
    - India has significantly reduced its energy consumption per person by cutting down wastage, replacing old equipment, and redesigning buildings, resulting in a tremendous improvement in energy efficiency at the margin, even as the country's GDP has grown.
    - India and China should not be asked to reduce their energy consumption as their per capita consumption is much lower compared to countries like the US and UK, and it is unfair to equate their consumption levels.
    - The speaker discusses the need for education and reduced consumption in order to address corporate interests and improve the economy, emphasizing the importance of renewable energy

and reducing pollution caused by coal burning.

    - India, once the richest country in Asia, lost its economic advantage due to Nehru's obsession with the Soviet Union and the implementation of an economic policy that suppressed private capital, leading to a decline in economic growth.
    - India had a prosperous civilization with skilled artisans and universities before the Islamic invasion, but the suppression of private capital by the British and the elite attitude of the ruling class led to slow economic growth and defeat, forcing many young people to migrate to Bombay for better opportunities.

01:00:05 ▯ India's economy has grown significantly since liberalization in 1991, but still faces challenges such as poor infrastructure and corruption, with potential for further growth through investments and job creation, focusing on education and healthcare, and adopting positive policies for development.

- - India's economy grew significantly after liberalization in 1991, with GDP increasing from $275 billion to $3.24 trillion and per capita income growing at 3.25%, although the country still faces challenges such as poor infrastructure and corruption.
  - India's economy is projected to reach 5 trillion by 2026, with significant investments and job growth, despite the depreciation of the rupee and the impact of COVID-19.
  - Nehru's policies led to India's economic decline, but now with economic development and migration, India is gaining respect and becoming a powerful country, while the government's inability to run businesses and the mindset of intellectual arrogance contribute to corruption and inequality.
  - India's literacy rate, particularly for women, has lagged behind China's due to a lack of focus on education, but with a focus on primary education and healthcare, India has the potential to grow its economy to $10 trillion by 2032 by emphasizing global scale exports and competitiveness.
  - The speaker discusses the need for a positive attitude and policy-centered growth in Indian states, highlighting the success of Karnataka and Telangana while criticizing the distribution of freebies and the misallocation of funds in politics.
  - The state has regressed due to increasing debt and the influence of Evangelicals, and it is unclear how the state will progress, but it is important for states to have development policies.

01:16:46 ▯ India's diverse and democratic nature, along with its growing economy, potential for manufacturing and software exports, and need for investment to address economic challenges, were discussed by the speaker, who also criticized the Indian diaspora and emphasized the importance of prioritizing the country first.

- - West Bengal's economic failure is hurting the whole of East India, and India's size and diversity must be taken into account when comparing it to other countries, as it is a democratic country with a diverse culture and a high level of press freedom.
  - The speaker discusses the influence of the elite in India, their preference for sending their children to US universities, and suggests that those who send their children abroad should not advise others on policies that will impact the country.
  - The speaker criticizes the Indian diaspora for being abusive towards India, supports denying privileges to those who criticize the country, and believes in a young assertive India that prioritizes the country first.
  - India's economy is growing despite challenges, and the government can improve manufacturing by implementing the PLI scheme, reducing logistic costs, and addressing high power costs.
  - India's economy has the potential for growth in manufacturing and software exports, with a large pool of talented IT professionals and a positive balance of payments, leading to a decrease in currency

depreciation and reflecting true economic growth.

- Bangladesh has a higher per capita income than India, but its economy is insufficient and relies on remittances and underpaid labor, while India has grown further and needs more investment to solve its economic challenges, such as reducing the trade deficit and creating higher-paying jobs through increased productivity and exports.

01:38:59 Indian industry is adopting robotics for cost reduction and increased exports, but corruption in state governments is hindering growth; Gujarat's economy needs development in services and a strong middle class; Infosys faced challenges but set standards in corporate governance and listed on NASDAQ; India's economy has grown significantly and is expected to be a top three nation by 2050; diversity may lead to some state failures, but progress will be made with respect for Hinduism and inclusive democracy.

-
  - Indian industry is increasingly adopting robotics, which will lead to cost reduction and increased exports, but corruption in state governments is hindering growth and needs to be addressed.
  - Gujarat's economy is facing a structural problem with a lack of development in services and a need for a strong middle class with well-paying jobs, requiring the state to focus on its own policies for growth.
  - Infosys was formed in 1981 by Narayan Murthy and his six colleagues, and despite facing challenges in the early years, they focused on being the best and set standards in disclosure, financial reporting, and corporate governance, eventually listing on NASDAQ in 1999.
  - Valuation doubled, faced challenges with pricing, listed on NASDAQ, and praised Narayan Murthy as an extraordinary leader who deserves the Bharat Ratna award.
  - India's economy has grown significantly in the past, thanks to the efforts of individuals like Mukesh Ambani, and the country is expected to be among the top three nations in the world by 2050, although it may not surpass the United States in per capita GDP due to being undervalued currently.
  - India's diversity may lead to some states failing, but the country will progress with greater respect for Hinduism, increased global respect for its inclusive democracy, and young people entering politics to make it better.

01:52:19 India's economy has evolved from a closed economy to a promising one with potential for growth, increased consumption, and strong intellectual capacity, making it comparable to China rather than smaller nations like the UK.

-
  - India has gone through various phases, including being a closed economy, experiencing emergency, and undergoing liberalization, and is now in a better position than before.
  - India's future looks promising with potential for economic growth, increased consumption, and a strong intellectual capacity, making it a country to be compared with China rather than smaller nations like the UK.
  - The speaker expresses enthusiasm for the current state of India's economy, highlighting the growth, entrepreneurship, and technological empowerment happening in the country.

Q&A

What role does corruption in state governments play in hindering the growth of Indian industries adopting robotics?

Corruption in state governments hinders the growth of Indian industries adopting robotics. This is highlighted in document snippet 8, which mentions that corruption in state governments is hindering growth and needs to be addressed. It suggests that while Indian industry is increasingly adopting robotics, corruption poses a challenge to their growth and implementation. However, the document does not provide further details or examples regarding how exactly corruption affects the adoption of robotics by Indian industries. To gain more comprehensive insights, it may be necessary to refer to additional sources or research on the topic.

How has Infosys set standards in corporate governance and what impact did it have on the company's listing on NASDAQ?

Infosys, an Indian multinational information technology company, has been credited with setting standards in corporate governance, which ultimately had a positive impact on the company's listing on NASDAQ. The company was formed in 1981 by Narayan Murthy and his six colleagues. Despite facing challenges in the early years, Infosys focused on being the best and placed a strong emphasis on disclosure, financial reporting, and corporate governance 8.

Infosys' commitment to high standards of corporate governance helped establish its credibility and reputation in the industry. The company adhered to best practices in terms of transparency, accountability, and ethical conduct. This commitment to corporate governance not only ensured the trust of shareholders and investors but also positioned Infosys as a responsible and reliable organization 8.

As a result, Infosys was able to list on NASDAQ in 1999. The listing on NASDAQ was a significant achievement for the company and provided it with global visibility and access to international capital markets. It allowed Infosys to expand its reach and attract a wider investor base. The listing on NASDAQ further enhanced the company's reputation and credibility in the international market 8.

Overall, Infosys' commitment to high standards of corporate governance played a crucial role in its successful listing on NASDAQ. By establishing itself as a trustworthy and responsible organization, Infosys was able to attract global recognition and benefit from the increased opportunities that came with being listed on one of the world's largest stock exchanges.

What challenges does India face in terms of its aging population and climate change, and is there enough focus on solving these issues?

India faces major challenges in terms of its aging population and climate change. The country's aging population poses significant socio-economic challenges, including the need for social security measures and healthcare support for the elderly 6a. Additionally, climate change is a pressing issue that requires attention and action. However, there may not be enough focus on solving these issues.

While efforts are being made to address climate change, there is a lack of focus on solving the aging population issue 6a. This neglect of the aging population challenge could hinder the implementation of social security measures and healthcare support programs needed to address the needs of the elderly.

In terms of climate change, the document emphasizes the importance of education, reduced consumption, and renewable energy for improving the economy and mitigating the effects of climate change 6b. India has made strides in energy efficiency, but more needs to be done to address the challenges posed by climate change. The speaker also argues that asking

India and China to reduce energy consumption compared to countries like the US and UK is unfair, as their per capita consumption is much lower 6c. This suggests that there might not be adequate focus on addressing climate change by all countries.

Overall, while both the challenges of an aging population and climate change are acknowledged, there may not be enough focus on adequately solving these issues in India. Further attention and concerted efforts are needed to address the socio-economic impacts of the aging population and effectively mitigate climate change.

How does India's economy compare to Bangladesh's in terms of per capita income and economic challenges?

India's economy is more advanced compared to Bangladesh in terms of per capita income and economic challenges. While Bangladesh may have a higher per capita income than India, its economy is inadequate and heavily relies on remittances and underpaid labor. In contrast, India's economy has experienced significant growth and has the potential for further development. However, India still faces economic challenges such as poor infrastructure and corruption 6b6a. India requires more investment to address these challenges, reduce the trade deficit, and create higher-paying jobs through increased productivity and exports.

What were the main points discussed by the speaker regarding India's diverse and democratic nature, its growing economy, and the need for investment?

The speaker discussed several points regarding India's diverse and democratic nature, its growing economy, and the need for investment.

1. India's diverse and democratic nature: The speaker emphasized the importance of considering India's size and diversity when comparing it to other countries. India is described as a democratic country with a diverse culture and a high level of press freedom 7a. The speaker also highlighted the need for a positive attitude and policy-centered growth in Indian states 7b. Additionally, the speaker criticized the Indian diaspora for being abusive towards India and stressed the importance of prioritizing the country first.

2. Growing economy: The speaker acknowledged India's significant economic growth since liberalization in 1991. India's GDP increased from $275 billion to $3.24 trillion, with per capita income growing at 3.25% 6a. The speaker also mentioned that India's economy has the potential for further growth, highlighting the importance of investments and job creation, as well as focusing on education, healthcare, and adopting positive policies for development 6b. India's economy is projected to reach 5 trillion by 2026, despite challenges like the depreciation of the rupee and the impact of COVID-19 6c. Additionally, the speaker discussed the need for investment to address economic challenges and mentioned the potential for growth in manufacturing and software exports, thanks to a large pool of talented IT professionals and a positive balance of payments.

3. Need for investment: The speaker stressed the importance of investment to address India's economic challenges. There was an emphasis on reducing the trade deficit, creating higher-paying jobs through increased productivity and exports, and solving economic issues such as poor infrastructure and corruption 8. The speaker also discussed the need for reduced consumption, increased use of renewable energy, and a focus on education to address corporate interests and improve the economy.

In summary, the main points discussed by the speaker regarding India's diverse and democratic nature, its growing economy, and the need for

investment were the importance of considering India's size and diversity, India's significant economic growth, and the need for investments to address economic challenges and promote further development.

Note

- This content is generated by AI, we believe it is accurate, but we don't claim any liability of inaccuracies in the AI generated content.

Watch the Episode

https://www.youtube.com/watch?v=91CDppyqYSQ

Newer | Older

9th August 2023
The Millennial Tantric - Bhavesh...

7th August 2023
Decoding India's DPI Learnings f...