

Peterson Institute for International Economics

Book Release: A Sixth of Humanity: Independent India's Development Odyssey

November 5, 2025

This is an unedited AI-generated transcript that may contain errors. Please confirm quotes in the corresponding event recording. If you find substantive errors, please contact meetings@piie.com.

[00:05:19.42] - Caroline Atkinson

Hello everybody. Hello everybody and welcome. Great to have a lively crowd in the room and welcome also to those online. We're here to hear about a really great book which I'm going to show to everybody, A Sixth of Humanity, and the title is

[00:06:26.24]

a minute, but the first speaker is going to be Arvind Subramanian, who is a senior fellow here at the Peterson Institute. So we're very proud and glad that he came back after serving in the Indian government. He's been associated with the Institute since 2007, and he's done a bunch of other things, lecturing at Harvard, the Kennedy School. He's been a distinguished fellow at the Center for Global Development down the street here. And he's currently advising the Indian state of Tamil Nadu on macroeconomic and structural issues. He will be followed by his co-author, Devesh Kapur, who has a distinguished background, of course, in research and academia. He's joined SAIS shortly before, or a little bit before COVID in July 2018, from the University of Pennsylvania, where he had been a political scientist, a professor of political science and the director of the Center for the Advanced Study of India. And then also with a chair that was for the study of contemporary India. So that covers the waterfront really on India. And I think it's great that there's this combination of economist, political science. Simon Johnson. I said to Simon, because I've got a very long biography here, that I want to start off with the two facts.

[00:07:58.37]

One is he won the Nobel Prize, so, you know, fantastic. And the second, which is also pretty grand, if not quite as grand, is that he has been connected to the Peterson Institute. Institute for a long time, and he was here as a senior fellow in, in Washington, D.C. He's also now, and has been for a while, at MIT as Professor of Entrepreneurship and head of the Global Economics and Management Group. He also has other associations at MIT, and he's also He and I were

colleagues for a little while at the IMF and he is a research associate. He was a research associate at NBR and fellow at CEPR. Simon said that he is going to follow the two authors in what I think he characterized just now as their final exam. But I'm sure that won't make them nervous. But then after that, we will have a discussion on the stage where maybe I'll do a little bit of the final examination, including of Simon, and then the real meat will be, or dessert maybe, will be when you all here are able to ask questions of the panel. We're at an unusual time for the Institute because some people had to leave, so the whole thing will wrap up by 1:30.

[00:09:38.34]

Thanks very much, and over to Arvind.

[00:09:51.52] - Arvind Subramanian

Thanks, Caroline, for hosting this, moderating this discussion. Thanks to Adam and the Peterson Institute for giving us a chance to, you know, unveil our book in the US for the first time. We're really very excited, and of of course, to all of you for bothering to show up here to listen to all of us. As I was about to tweet this morning, come for Kapoor and Subramanian, but stay for Simon's scintillation. So that's definitely going to be the highlight of this afternoon. And of course, the moderation that Caroline will do afterwards. So as you can see, The book is voluminous, to say the least. As I keep saying, I don't know about quality, but we certainly give you a lot of quantity and a lot of words, words, words, which I hope amount to something at the end. So Simon and I are going to do a presentation just to give you a flavor of the book, because there's no way we're going to cover it, nor should we. All we want to do is— wet your appetite to go and read the book. The problem is that unfortunately we have to whet your appetite enough for you to wait for another month or so to order the book, because the book is not currently available in the United States.

[00:11:15.13]

So as my friend Justin Sandefur tweeted some time ago, the book is called A Sixth of Humanity, but for the moment it's only available to a sixth of humanity and not to the rest of the world. So, you know, a brief overview. Okay, so about the book, I just want to say 3 or 4 things about the book. Our inspiration really was Ramachandra Guha's India After Gandhi, a little bit also some of the economic surveys that I wrote when I was Chief Economic Advisor, which is basically that you want to be rigorous but also accessible. You know, it should, you know, all these boffins sitting at Harvard and MIT should not, Simon, should not say this is kind of, fluff, but yet we want, you know, as many people as possible to read the book. So, and because of that, it's interdisciplinary and comprehensive. So that's why, you know, Devesh is the amazing all-round

political scientist, international relations expert. I'm the kind of boring economist, but, you know, we genuinely do— we do think that these days the compulsions of academia tend to lead to a scholarship and even output that's pretty siloed and narrow, and we wanted to transcend that.

[00:12:31.40]

But that's really one reason for doing this comprehensive thing. I think the more important thing, Devesh and I feel very strongly, that development is something which is pretty broad and comprehensive. So for example, a lot of Simon's own work, for example, has been on state and markets. So that's one. His book *Power and Prosperity* was about economics and politics, as it were. We know from the work of Karl Polanyi that, you know, society is a key ingredient in determining development transformations, not least because, as he said, markets and state are embedded in society and social norms. But we wanted to go even broader, kind of to say that development is about the concurrent interaction between states, markets, society, and nation.. And of course, when you apply that to India, it's in the context of democratic politics in a way that I will just explain. The other, I think, important thing about the book is that we rely not just on all the stuff that everyone reads, but also on the original sources. I should say we've read— I was about to say we have read, actually, Devesh has read more than 3,000 government reports. And because of that, he made available for for me and our team of helpers, a lot of data which we've used in the book.

[00:14:02.16]

We have 75 years of data for whatever we talk about. So that's, I think, an important part. And part of the reason to do the original sources is to avoid the twin traps of the distorting prism of nostalgia that romanticizes the past, or as Linda Colley put it, to avoid the condescension of posterity and make these kind of ahistoric judgments and condemnation of the past. So we wanted to avoid both those traps. And then, of course, it's set in an explicitly comparative frame. There are lots of comparisons, not just India today and in the past, but also today India and the past with a number of developing and other countries. Because I do— I think both Devesh and I feel very strongly that this was important for us not just to understand India better, But as Simon generously said in his blurb, also because it enables us to understand development better in light of the Indian experience. Just give you one example, slightly controversial. So we spend a lot of time on how India achieved a sense of nationhood, how it built a nation, as it were. And if you look at what economists have generally been dismissive of nation building, either because they can't quantify it, or either they think it's too fluffy to get into.

[00:15:27.50]

But also because I think for the West, kind of nation-building was at least settled for some time. And so this was not a concern of Western academics and economists to that extent. Whereas now, what you find is, as— partly because of migration, the whole sense of nation-building, even in the US, is now again contested. And up for grabs. So in that sense, the Indian experience, I think, can not illuminate totally, but at least shed some light on the problems of even MAGA in the United States, is in some ways trying to contest and reopen what constitutes a nation. So that's kind of broadly what the book is about. We begin at the beginning. India was a very complicated country. Lots of diversity. And this is— we described this diversity, you know, fissured horizontally along religious, ethnic, regional lines, you know, cleaved vertically along caste, patriarchy, and others. So it really is a very diverse state. So nation-building, to, you know, create a nation from this kind of crooked timber of humanity, was a great challenge. And of course, only two countries have the scale that India does. So to do it with diversity and scale and at so levels of— such low levels of human capability and income was really a huge challenge at the beginning.

[00:16:58.51]

So one way of summarizing this huge unique development challenge is to contrast it what other countries did or what paths they followed in terms of economic and political development. As I just said, the Indian challenge was to build and in fact reconfigure the colonial state. Transform society which had so many problems, forge a sense of nationhood for all fledgling nations, that's so important. And we know many, many countries didn't survive because they couldn't forge the sense of nationhood. And of course, create markets. And the very distinctive Indian thing, which is all this had to be done from day one through universal adult franchise-based democracy. So, this chart shows you the two contrasting parts. The West, what we call the West, would be US and UK. On the y-axis is democracy, x-axis is economic development. The West essentially grew very, very slowly, achieved development over 150, 200 years. Slow transformation, slow economic and political development, but they co-evolved. The franchise was extended only very gradually, and those two dots tell you when women got the right to vote in both these countries, well along the development transformation. Then you have the East Asian successful model, which is essentially rapid growth abbreviated in time, 50, 60, 70 years, but in which political development either followed economic development, as in Korea or Taiwan, or was not achieved at all, as in the case of China.

[00:18:32.55]

And you see that Chinese political development is where it is. But India, as you can see, attempting these development transformation, 1950, I mean, that's where we start, universal franchise-based democracy. And we have, therefore, and Devash will speak about this much

more, about how democracy was both a boon and a challenge for India. Lots of fateful choices were made at the beginning, but I think I want to just emphasize one, caste, for example. I think it's a point that's not recognized. India was the only country from day one that provided affirmative action for historically marginalized minorities. What did the United States do for minorities at the start? Three-fifths. What did South Africa do for minority, for the historically advantaged? They gave black empowerment, but it's for the majority group. Malaysia, majority group privileged. And so on and so forth. And India was one of the few. And of course, this was very based on a lot of idealistic sense of what needed to be done. But of course, it also became a kind of a challenge in itself as India's development proceeded. So one theme of the book is the primacy of economic growth. And if you meet an Indian economist, there will be two lodestars for him or her.

[00:20:00.53]

Amartya Sen on the one hand and Jagdish Bhagwati on the other. So it's kind of the famous growth versus equity tradeoff. Trade-off or tension between the two. But we say they were both actually incomplete because growth was not just very important in India after 1980 and 1991, it was basically everything in India. Everything about India changed after 1980, 1990, and economic growth was— fastest poverty reduction happened during rapid growth. It changed economic lives. It changed many, many things, including the dynamic of education, which was lagging sorely behind. It turned, and this is something that the left doesn't like to hear, it turned the socialist state, which was really a very uncaring state for the poor, into a neoliberal but a very caring state because the whole social welfare and the social protections got built up during the neoliberal era. It facilitated social change. Devesh has some excellent work, you know, done independently and before where he documents how Caste, some of these abominable practices got changed because of opportunities afforded by the market. And so we say in the book, economic growth was grist, grease, glue, and getaway. But above all, it kind of tracked this Naipaulian arc, India as a wounded civilization in an area of darkness to India as a land of million mutinies and aspirations.

[00:21:33.23]

But growth was also divergent growth in India, so especially across regions, and that created its own set of challenges for fiscal federalism, migration, and so on. How am I? I think I'm overrunning my— I am. You're overrunning, but— Okay, so I'll just, okay, I have a couple of minutes.— which is one of the themes of the book is the sense of precociousness. Simon, am I failing the test? So one of the themes of the book is precociousness, i.e., doing something ahead of the time, unusual sequencing, democracy before development I spoke about. Devesh will speak more about that. But the one thing that might be of interest for this audience is this,

you know, India did services before manufacturing. India's high-skilled talent benefited immensely from a form of globalization, which is labor mobility, while India shortchanged via lack of trade its 200, 300 million— hundreds of millions of workers because it didn't exploit the trade opportunities. So one manifestation is growth without structural transformation. Very simple chart. India does too much agriculture, very little manufacturing, and too much high-skilled services for its stage of development compared to some standard comparator countries. The internet— that's the domestic manifestation.

[00:23:08.29]

The international manifestation is a kind of skewed globalization. The left-hand side chart shows what is the income earned by the American— Indian American migrant in the United States. In the United States compared to per capita GDP back in India. And it does this for various countries. And India is by far the highest. I know there's a paragraph in the book. It needed a whole paragraph just to say how many CEOs are of Indian origin today. And no country at such low levels of development has had such influence, not just in the upper echelons, but at the very pinnacle of global leadership and influence. But the flip side of that, which is a chart that actually Shomitro Chatterjee helped us work on, which shows on the y-axis what is your share of global exports in low-skilled commodities, on the x-axis what is your share of the global working age population. And you can see China and India always outliers and always in opposite directions. China, 22% of the global labor force, 45%, 50% of low-skill exports, India, 22% of global labor force and 2 to 3%. So this is the contrasting skewed globalization. Let me stop here.

[00:24:21.56]

There's a lot, there are surprises, there are, you know, on the fiscal side, on the growth side, there's an assessment which we have in the book, but all that I have been too slow and tardy to cover. So let me, I think, leave that for things for you to pick up the book for, and let me pass it over to Devesh.

[00:24:49.46] - Devesh Kapur

What I'm going to do is to just take you through some of the puzzles, paradoxes, and pathologies that we sort of identify. Uh, so one is, uh, in the context of, of sort of state and nation-building. We argue that actually India has had too little violence, not too much violence. And we show that historically, among countries in the historical phase when state and nation-building was occurring, India really stands out in just how little violence occurred in the context of state and nation-building. So building order, you can see it both from the political side in the sense of less violence, but also on the economic side. India has also had much lesser inflation,

and it's been argued that it's not an independent central bank why India has had lower inflation, but because it has had universal franchise and the poor— there are lots of people who are poor in India,, and they vote a lot. So they really provide the monetary anchor rather than the central bank itself. This is, uh, what we show is that most indicators of violence— I'm just showing you two, but we look at riots, student protests, labor strife— so every single indicator you see a going up from the '60s to the early 2000s and then gradually declining.

[00:26:33.49]

Yet we argue that India built order, but it did not build the rule of law. And we have a host of indicators from cases filed up in the courts. Today, Indian courts have a backlog of 53,000 53 million cases, which it is estimated would take about 3 centuries to address at the current rate at which they go through. And what this has meant for economics and for economic development is that India ranks very low on enforcement of contracts. So it's in the bottom quintile of countries, and a large part is because of how slow the legal processes are. Now, a second paradox we identify is in India everyone believes in the state. It doesn't matter if you're right or left, everyone believes in this deeply held, you know, statism. Yet India paid very little effort in actually building the state itself. So this is just shows you just how much of India is an outlier on how small the Indian state is. You know, most people believe the Indian state is very large, but actually it's quite the opposite. The police are about one-third the sort of global average, judges are about 10%, and same with sort of tax.

[00:28:09.48]

Another paradox of the Indian case is it is highly centralized, but it is centralized at tier 2, not at the federal level. So this sort of compares the 3, 3 largest countries in the world and where most of the employees work. And in sharp contrast to China and the US, where most employees are at the local level or the federal, in India Most employees are at the state level. Now, this matters because most Indian states are larger than most countries. So you have a very high degree of centralization. And we argue that constitutionally, where the Indian state has failed most is the provision of public goods. The public goods are supposed to be provided by the states. And this high degree of centralization has been one reason why they have done such a poor job. Then this is the, the democracy paradox, uh, that Harwin— so you'll see that India sort of gave universal franchise at extremely low levels of income, and also for a country that was highly patriarchal and continues to be so, it gave the gap between male and female franchise was also one of the smallest among the countries. So what were some of the consequences?

[00:29:44.10]

So what you see is that, you know, we know there's a huge literature on the democracy and, you know, development, that in general democracy is much more conducive to, to like development. 2 countries, you know, stand out. Now unfortunately, they represent one-third of the world's population, and they're complete sort of outliers in the expectation and this relationship between democracy and development. And India stands out not just, uh, in the general sense, but also among the democracies. Also, India's level of, of, like, development relative to its achievements in the democracy have been sort of underwhelming. Now we end the book by sort of looking at this more and what democracy took and sort of what it gave India. And one of the things we show is that today basically half of India, about half a billion voters, go to the polls every year, which is at every, you know, if I include local, state, and national elections. That has had two effects. One is time horizons for policymaking are much shorter because there's always the next election, like, to worry about. The second is, this is perhaps the single biggest reason for continued large-scale corruption in India.

[00:31:22.44]

You cannot have a democracy without elections. You cannot have elections without money. And the constant need to raise money has been an important driver behind large levels of corruption. But we end with this, uh, this other. India was unique in that most countries, the quintessential Western model of nation-building was built around a single language, a single religion. But India actually used democracy. It could not use single—it was so diverse that it did not have the option of going for a single language or single religion. Democracy was the single most important instrument of, of, of, you know, nation-building.. So if that instrument weakens, I think we argue that the nation-building project will also weaken, and then whatever we want to think about development will also be moot.

[00:32:25.41] - Simon Johnson

Thank you. Well, it's a great pleasure to be back at the Peterson Institute. My name is Simon Johnson, and I've known Arvind and his work for several decades, and I've been familiar with this book also for a period of time, including a really good conference that the authors held some time ago. So I have the advantage over you of having spent quite a lot of time with this material. And I've been thinking a great deal about all of these interesting arguments and facts and findings of the authors for some years, and really trying to see them, or from time to time imagining them, through three different lenses. I'd like to tell you just for a moment about those lenses. The first is a science fiction book by Kim Stanley Robinson called Ministry for the Future. Now, I have my reservations about the book as a treatise on economic policy, but the first chapter and what it says about India there is absolutely gripping, really compelling, and a wake-up call to everybody around the world. I'm not going to give away the full details, but it's about

climate change— I'm sorry, extreme weather events, I keep getting those mixed up— and impact on India.

[00:33:37.29]

And it's very dramatic. And India does very badly in this, and Indians do very badly in this extremely tragic story. And that's obviously part of the Indian reality and part of what India has to grapple with in the world today. Now, the second lens that I use and think about a lot is a previous book by Arvind, actually called *Eclipse*, which was a bestseller produced by the Peterson Institute, I think 2011, if I'm not mistaken. And what Arvind did there was talk about the history of the global economic and political system, and he examined the shifts that had taken that took Britain to predominance and that moved power from the UK to the United States. And he asked the question— and actually did more than ask the question, he proposed an answer— for when and how could China challenge or develop its power or rival the United States. And we can talk more about this, but I think the events of the last 6 to 9 months, for example, illustrate that. Not completely, because it's very hard to predict the future entirely, but Arvind's analysis really anticipated many of the things that we've seen play out.

[00:34:37.20]

We can argue about how to define power, of course, but if your power as a country is the power to say no to the United States or to resist doing what the United States leadership wants you to do, I think China has acquired some power through many of the mechanisms that Arvind maps out in this book. Which of course leads to the question, is India next? Will India become a global power player? And I think the answer in part, but I'd like to hear more from the authors on this, is it already has to some extent. If you think about the Russia-Ukraine conflict in multiple dimensions, you think about the oil price cap, or you think about the current attempts by American leadership to change some of the dynamics around oil revenue in the oil market, India is an important player in that. Now, will India— does India have its own abilities to make its own decisions? Is India doing what the Americans want? We'll see. But this is, I think, a very pertinent, relevant question. So it's one that comes to my mind a lot. And the third lens is by far the most compelling.

[00:35:30.28]

And also the most entertaining, and that is cricket, which gets far too little mention, by the way, in your book, guys. I mean, I think you should see this as a platform from which to launch cricket, promote it globally. And cricket, for those of you who are not as much up on cricket as Arvind and me and probably Devesh, the cricket, Indian cricket is noteworthy, I would say, in a

political governance context for two recent innovations. Major developments, actually. The first is the Indian Premier League. Not everybody's a fan. It's a short version of cricket. But in my view, it has transformed the economics and the tactics and the perception and the attendance of cricket matches around the world. This is an Indian capital-led but also labor-empowering, I would say, change. It's very positive. But even more impressive, and sadly, it came too late to be mentioned in the book, otherwise I'm sure you would have led with this, the Indian women's cricket team just won the World Cup. And for those of you who read the New York Times coverage of this, I, I'll fill in the details because the New York Times doesn't quite understand cricket yet either.

[00:36:30.53]

But the key point is that while India has been a force in, in many forms of cricket for a long time, and while Indian men have led the way and dominated in, in many formats consistently, Indian women have not previously reached that top level. And they did. According to my sources, 35,000 people watched the final match, and 300 million people according to the app, the digital— leading digital app, viewed the game. So there's a huge market for it. This is not an accident. These Indian women, according to credible reports, achieved this because the governance of women's cricket changed, the amount of money in cricket changed, they were empowered, and now they're at the top level of the world. So which India is it? Which India is today? Is it India as a victim? India as a power player or India as an innovator and is finally delivering on the promise, for example, as you said, one of the first countries to extend the franchise relative to GDP per capita to women, but a promise that has not yet been fulfilled. Now, I do think life and books should be viewed as forms of baking show challenges.

[00:37:42.26]

I think it's only fair, and we're all familiar with the format now. And in any good baking shows, you know, there is the There's the signature challenge, and that was the workshop, the pre-book workshop that I attended, and where we did a small time comparing India and China, and the authors did really well on that round. And then we have the showstopper, and if this isn't a showstopper, I don't know what is. I mean, just look at it. But of course, there has to be a technical challenge, which the authors have not been made aware of ahead of time. So for your technical challenge, the judges would like you to look back from the year 2100 and to tell us which of these Indias prevailed. Now, I understand one answer, and the natural answer, the answer you would get from reading the book is, well, Simon, it's very complicated. You know, it's a rich country. There's Indias within Indias. Fantastic answer. That will fail. Okay, let's be very clear about that. The judges are quite clear in their minds that you're going to have to pick

something because, look, history will be written. History will be written by Indians, by other people.

[00:38:42.33]

There will be a story. What will be that story? And yes, you make the point, I think it's quite compelling, that India should be judged or considered next to continents, Europe, the Americas. Fine, these all places all have histories in certain periods of time, but there is a story. So what will be that story looking back? Will it be a story of India held back, damaged by global events over which it had no control? Will it be India as a power player Not like China. I think every country plays its cards differently. That's a point in Arvind's book, Eclipse, but in its own way. Or will there be a version of Indian capitalism?

[00:39:19.17]

Because that's—

[00:39:19.55]

Indian cricket has been propelled by capitalism, but in a governance structure that's actually empowered the players and brought new people to the table, I would argue. Now, to be very clear, I think this answer must deal with the fact that we live now and all of us in this room and hearing my voice, I think, will always live in a world of massively capable artificial intelligence. Now, in this world of AI, we know that Indians will be very important as individuals. As Arvind pointed out, many of them are already CEOs of leading tech companies. And there is many of them and many more who would like to come work in Silicon Valley and in the development of AI. But for whom is this technology developed? Do these brilliant Indian scientists and everyone else, of course, focus on developing a form of the technology that works in a highly capital-intensive society with its own peculiarities, meaning this one? Or do we find our way to a more Indian perspective on the development of technology that actually lifts hundreds of millions of farmers out of poverty, that transforms your urban environments, that delivers on shared prosperity? And just to sort of put this question, and I'd say in terms of what does India need, what would propel India in a positive direction, my modest proposal, I'm sure, I mean, by the way, you are very lucky to be here at this event in such intimate circumstances with fantastic food.

[00:40:46.55]

Very soon, you could also see this book being presented at massive literary festivals in India where you could be at the back of 10,000 people trying to get a glimpse of the authors. So well

done getting in early on this. But what's going to be positive in your preeminence in India, and as you make your tour, I would ask you or suggest that you talk with the members of the Indian women's cricket team and ask them what brought them to this point, which is an amazing achievement, and what it would take for them to become the dominant force in world cricket, parentheses, beat the Australians consistently. That's my only ask. And I think we should treat this as a microcosm for what India can become and what the real obstacles are at the grassroots for real people. And if you're only going to read one book on the history of India, of course, you should read this book because that's what they pay me to say. But if you're going to read two books, you should read a book that's not cited in the 760 pages by Jawaharlal Nehru, the founding Prime Minister of India, written in the 1930s, primarily when he was in jail cell where he'd been put by the British, written as a series of letters to his daughter.

[00:41:48.10]

His daughter, of course, is known to you as Indira Gandhi. It's a brilliant history of the world. It's called Glimpses of World History. It's a brilliant history of the world from a non-Eurocentric perspective, which we're still, by the way, sorely lacking. And this is a non-Eurocentric perspective also, guys, on India. That's an amazing contribution. But let me leave you with this quote. And given that the internet is not very good at telling you exactly where quotes came from, I would like to specify for the record, this is from pages 955 to 56 of the edition that's on my desk, which is the 1942 US 4th printing of, I believe, the 1939 UK edition. So you can look it up for yourself. And there are a couple of ellipses in my quote, to be clear. So you do need to look it up. But this is what Nehru said in 19— this is a postscript, which I believe was written in 1938, 1939. We live in an age of revolution, a revolution which started when the war broke out in 1914. The French Revolution of 150 years ago gradually ushered in an age of political equality.

[00:42:48.21]

But the times have changed, and that by itself is not enough today. The boundaries of democracy have to be widened now as to include economic equality also. This is the great revolution through which we are all passing, the revolution to ensure economic equality and thus to give democracy its full meaning and to bring ourselves in line with the advance of science and technology. You have 30 minutes. Bake.

[00:43:42.38] - Caroline Atkinson

Thanks.

[00:43:43.29]

So thank you all very much, the three of you, for that.

[00:43:49.31]

Thanks.

[00:43:51.26]

I'm going to leave the two authors to ponder a little bit about the question about 2130. And I'm also gonna say you don't have to pick between climate disaster and poverty. The bottom one, which is obviously sounds favorable, unleashing India's innovativeness to changing institutions in a way from the bottom up that allows for a much better distribution of income and wealth and so on. And then the middle one, which was all about global politics, although I liked very much Simon's, or I'm intrigued by Simon's definition of power as being the ability to say no to the US. Having worked for a while in the US government trying to persuade people to say yes to the US, an interesting definition. I wanted to start with a question that just occurred to me as I listened to her. Obviously India is fascinating, this history is fascinating, and I love in particular the out-of-order things. When putting the— as economists, we're very aware of the services, manufacturing, reversal, but putting it in the context of the other issues of democracy and so on, I think was interesting. I wanted to ask actually about the bloody birth of India.

[00:45:30.11]

Did that matter? Was it significant in how the country developed in, in some of these paradoxes and peculiarities, or do you think your starting point was the right one, that From there, we're looking at just the development of a nation. So, Arvind, you first.

[00:45:54.11] - Arvind Subramanian

Yeah, I think, you know, I tend to believe, and I don't know whether Devesh shares this or not, but all countries have constitutional moments. And in India, that moment was birth. And therefore, choices that are made then especially if they have been, they are the result of, you know, a lot of deliberation and discussion as they were in India, I think do matter, did matter, and set the stage or created a trajectory, which of course is not entirely predetermined because then stuff happens and things get changed. But it is true that, you know, the founding moment was critical in doing a number of things. For example, one just kind of historical fact which we mention in the book is that Mahatma Gandhi was assassinated. That had the very important consequence that the tussle between the two ideas of India, should it be based on the Hindu

religion or some version of it, the kind of European model that Devesh alluded to, or should it be something which is now we call the idea of India, which is a capaciousness allows competing ideas of India to flourish and sustain. And what happened at that moment was, as this was being contested, of course, Mahatma Gandhi died, was assassinated, and he was assassinated by a Hindu right-wing group.

[00:47:28.59]

So that really allowed for the former idea of India to be shelved, at least temporarily, and the idea of India as we know it to kind of be embedded in the Constitution. That was one. I mean, we can go through several, don't want to bore you, but one in particular, of course, is that we had this Constitution, which was, you know, deliberated upon and came into being at birth, which has really been a frame for so many things that have happened in India relating to property, relating to what we call affirmative action. So it was very consequential good or bad, that changed over time, but certainly very consequential.

[00:48:16.41] - Devesh Kapur

So actually, the carnage of partition had two long-term effects. One was when the Constituent Assembly began writing, India was going to be a much more decentralized country. What partition and the carnage did was that they were so horrified at the collapse of order that it pushed them to a much more centralized, with much more power to the federal government, than what was envisaged prior to that. The second was that Nehru was very opposed to the Indian civil Civil Service and wanted it to be abolished. But his Home Minister, who was, who was a very powerful man, they learned that the price of disorder could be so high because the whole administrative structure had collapsed in certain parts of India, that that's what led to, to retain the Civil Service, which changed from the Indian Civil Service to the Indian Administrative Service, which then had, of course, long-term consequences. So these were very clearly linked to the horror of the partition.

[00:49:39.25] - Caroline Atkinson

Thanks very much. I don't know if you want to comment on that question at all, Simon, or—

[00:49:45.43] - Simon Johnson

I'm still waiting for the answer to my question.

[00:49:48.32] - Caroline Atkinson

Yes, okay, fine.

[00:49:49.22]

We'll come back to that. I'll let Arvind and Devesh comment on that. My other question is around a little bit about the future. How much do these— are there any of these paradoxes and contradictions that you think are most important to change in order to bring up, bring this several hundred million of Indians that are poorest now to be a bigger part of society? And you've— there has been economic reform, there has been a lot of growth. It's very different experience in recent years from before that. But is there a giant leap that is needed to pull those out of poverty?

[00:50:42.07] - Arvind Subramanian

So I think—

[00:50:44.01] - Caroline Atkinson

and do feel free to respond to Simon.

[00:50:46.24] - Arvind Subramanian

So in a sense, I'm going to respond to you as well as to partly to Simon's question. So in our final chapter— not final, the final Looking Ahead chapter, which is the shortest chapter in the book, disappointingly for many. We take the view that, or we studiously said, after having written 700 pages, Caroline and Simon and people like you will say, what are the X things to be done to propel India to whatever the next trajectory? And we kind of studiously avoided coming up with a list of to-dos for various reasons. Firstly, I think everyone and his uncle has his own to-do list. My list and Devesh's list would be very different of to-dos. And what you see when you look over 75 years of Indian history is that all the major changes have happened either because of crises, you know, agricultural crisis in '66, the financial crisis, '91, or because of technology, which is, you know, the telecommunications revolution in India happened, or because, as I said, because of the consequences of growth itself. I mean, growth created so many unintended and intended consequences. So it's kind of hard to— so the view we take in the looking ahead chapter is to say, we will not give you any list of to-dos.

[00:52:19.43]

We will not predict India's future, but we will say one thing: follow the Hippocratic oath, do no harm. And in a very specific sense, as— and this is what Devesh ended with, which is to say

that, you know, democracy has been so critical to our— to everything that we did, building a nation, creating a state, despite its challenges, that do no harm is make sure that those successes of India are not undermined by everything, you know, the weakening of institutions, the majoritarian politics, you know, the cronyism and corruption. So what we say is do no harm, and basically it's not a to-do list, but a not-to-do list or an undo list. And last point I will say is that, again, going back to Kim Stanley Robinson, what would it take? You said, what would it take? And we ask the same question, what would it take? And then we say, look, a chapter begins with, in fact, if you go to Delhi today, the air is unbreathable, as it has been for 20, 25 years. And our humble submission is, if India, you know, don't tell me about geopolitics and who's conquering the world, if India cannot solve its Delhi pollution problem, problem, because what it would require to solve that is what India would require to solve all the major problems that Simon has posed and you have posed and the audience is asking for.

[00:53:54.32]

Do no harm. We had major successes in terms of democracy, institutions, openness, a wonderful idea of India. Don't undermine those.

[00:54:05.35] - Caroline Atkinson

Devesh.

[00:54:07.02] - Devesh Kapur

I do have one which relates to something that Simon said about cricket. I mean, what does India have in excess? It doesn't have minerals or oil or rare earths or, you know, so on and so forth. But the one thing it has always had in excess is people. It has quite a lot of people, one-sixth of the humanity. It's the one thing that we show in the book, it has done a dreadful job on health and education. So human capital, which is to unleash the potential of India's young, who like these young women, many of them, if you read their life stories, come from incredibly tough backgrounds and the grit that they have in trying to— and in our work, what However much you go to Delhi and you talk to people, you can get depressed. But you go out and you talk to young people, it is amazing the energy they have. And if you can simply allow that energy to flourish, I think that alone will take India forward. You don't have to think about— just give young people, empower them with the education and health. And then let them do what they want to do.

[00:55:32.04] - Caroline Atkinson

Yes, no, sure, and then to Simon.

[00:55:35.04] - Arvind Subramanian

So, you know, depending on the time and the venue and the audience, we might end on the hopeful note or the pessimistic note. And I'm going to do both at the same time, having been a bit pessimistic, just to build on Devesh's more hopeful note, There's one statistic which didn't have the time to go through, which really surprised us, which I think combined with what Devesh says is maybe a real sense of hope for India, which is that if I were to tell you that India grew, and Nick Lardy is here, the expert on China, if I were to tell you that India grew as fast as China and for as long, it would be a ridiculously false statement.. But it is true that one-third of India grew as rapidly as China and for almost as long. So if you, you know, so if you combine the do no harm with the human capital and the aspiration and the entrepreneurial energy, plus the actual experience of at least parts of India having done this, I mean, I think that is a recipe for hope going forward.

[00:56:49.55] - Caroline Atkinson

So it may not be as simple. I think, uh, Devesh said you simply do this. May not be very simple, but that's true.

[00:56:57.25] - Devesh Kapur

No, I, I think one thing which we noticed at the end about— so between 1950 and 2025, India added a billion people to its population between— so over these 75 years. Over the next 75 years, 2100, it'll net add zero. So one period of 75 years, you add a billion people. Next 75 years, you add a net of zero. How should one even think about that? You know, you can think of many, many complex ways, but that is why I think that today India doesn't have to worry about, for the first time, of building more schools. It has to worry about improving the quality of learning inside the schools. And that is what it's going to be as it goes forward.

[00:57:53.04] - Caroline Atkinson

Simon.

[00:57:54.28] - Simon Johnson

Let's talk about the Olympics. And I don't have at my fingertips the number of gold, silver, or bronze medals India has won in the past 50 years, but I think it's 1, 2?

[00:58:03.37] - Devesh Kapur

No, it's more than that, but it's very few.

[00:58:06.01] - Simon Johnson

Okay, it's very few. And given that, I think a reasonable presumption is that the distribution of talent in India pretty much the same as everywhere in the world. And we can see that on the technical side, on the mathematical side, you produce just as many outstanding performances. Actually, to have had so little success in the sporting realm almost requires a lot of effort. I mean, why don't you have outstanding runners who've grown up in the mountains, for example, or other people who came from disadvantaged backgrounds and have somehow broken through? And I think Arvin says, do no harm. I get that.— perfectly reasonable and respectful thing to say. And I'm not trying to tell you what to do in your country.

[00:58:41.19]

Let's be very clear.

[00:58:42.17]

But let me just emphasize that I think the world is not going to be an easy place in the next 70 years. The climate is— weather is not going to be helpful in many places, including places with low resources. The global power environment— you can get easily run over. Lots of countries will. And technology— if technology is what used to be called inappropriate technology, meaning it's developed primarily in capital-intensive countries, solve the problems of, roughly speaking, let's say rich people. And that technology spreads around the world instantly as it does over our digital distribution rails. ChatGPT was used, I think, in every corner of the world that I'm familiar with within 24 to 48 hours. So these things are coming at you. I'm not sure that— I mean, do no harm is a fine principle, Arvind, but I think you need to focus a bit more and to identify obstacle looks to be— I mean, limiting pollution in major city, that's a solved problem from a technological perspective or a public policy perspective. And you can do it while creating a lot of jobs in, in electric vehicles or whatever approach you want to use.

[00:59:42.02]

So the ideas are there, the technology's there, India's got the brainpower, India has an incredible diaspora, India has access to every piece of technology the world has on offer. What do they need to do to get onto this better path for It's a question. I don't know the answer, but I think you're the right people to address that. Oh, and you have 30 literary festivals to get your teeth into that as well. So, you know, good material for literature to share there.

[01:00:06.10] - Caroline Atkinson

I want to give a chance to, before I even ponder on that, to anybody in the audience who might want— there's a mic there if you don't mind going to it and telling us who you are, and even if we probably already know, and asking your question. Keep it short.

[01:00:24.24] - Arvind Subramanian

Just very, very quick question.

[01:00:25.36] - Audience

Arvind, you raised the point that India chose not to participate in the light manufacturers boom that worked so well for East Asia and Bangladesh. And I just wonder why that didn't happen, what difference it might have made, and whether there might be opportunities to ride that bus in the future to meet insatiable demand for labor-intensive goods from China.

[01:00:54.00] - Caroline Atkinson

Thanks. And I just want to see, given time, are there any other questions from the audience? And then I will— yes, please.

[01:01:13.01] - Audience

Not a question, Caroline. It's just a point I think is worth making. Arvind and Devesh too probably know Justin Sandifer. Who had a paper a couple of years ago in which, with co-authors, he showed using data, just data, that in India— and this is true of Nigeria and a few other countries as well— women, 10 years after completing primary education, most of them cannot read a sentence. So this bears on some of the points you— some of you have made on what— if there is to be a question of where to go and what to emphasize beyond do no harm, I just think it has to do with something about the quality of education or the content of education or the attitudes about it. I don't know, just a point.

[01:02:17.30] - Caroline Atkinson

Thanks. Thanks very much. And I think Devesh was pointing to that. So, um, I want to give each of you— yes, respond to any questions, uh, including from, uh, your final examiner, and, uh, and make any final points that you'd like to. Maybe I'll start with Simon and then end and work backwards.

[01:02:39.53] - Simon Johnson

Yeah, I'd like to say two things in response to the questions. I mean, the first is, I don't think the British are the beginning and the end of all things in the world, including evil and good. But I think you let them off pretty lightly in terms of two legacies. One is the way colonialism actually operated. But the second is socialism. I mean, you could argue that the worst legacy was the ideas that the Indian ruling elite had in the 1950s, which were absorbed from their time in the UK. And so instead of just— instead of democracy with GDP per capita, Arvind, you could do like socialism as a prevailing state-led whatever, right, as an idea. I think that was a problem. And the License Raj, I think, is the answer to that question. License Raj was bad news. And the thought was you would get a more gentle, nicer form of capitalism. You didn't. You got a much less productive form of capitalism that doesn't deliver for workers. I mean, let's be honest. And that's what you abandoned also. And that's what most other countries who tried to merge that also abandoned. In the '70s or '80s.

[01:03:36.36]

On the last point is Nancy's brilliant question. Neal Stephenson, science fiction writer, wrote a number of classic books. One of them is called *The Diamond Age*. And *The Diamond Age*, young women in actually China, not India, but you could tell the same story, are empowered to educate themselves using AI. Stephenson wrote this before the modern age of AI, so it's a brilliant book. And breaking down a lot of the barriers to the acquisition of knowledge and information and power through technology for women. That's a fascinating alternative arc for many countries' history. And I hope it's something that you'll commend to your literary audiences in India as you tour the country.

[01:04:16.44] - Caroline Atkinson

Devesh.

[01:04:17.53] - Devesh Kapur

No, I think the point you raised about AI, I think that is the double-edged sword. So the maximum— after the US, I think the maximum use of ChatGPT is now in India. It's spread, it has about more than 300 million, and it's really spreading. And I think there's a, there's a very strong sense of its empowerment, especially in, in poor learning environments, that it can, if not substitute, but really complement the poor teaching that they learn on their own time, et cetera, et cetera. But at the same time, what robotics, AI, and the fourth industrial revolution might do to labor-intensive manufacturing, I think is—

[01:05:07.08] - Simon Johnson

And services.

[01:05:07.53] - Devesh Kapur

And services. And especially to the latter, given that has been a big part of India's success, I think is, I just don't know. It's very hard to say. But the one thing I'll just add, one of the things we show is that major policy changes in India almost never come through a rational recognition of how the world is changing. They come only when India gets a bit thumping at the back, where it basically gets kicked badly in the behind and then they realize, oh my God, things are gonna go terrible and that's when they change. So maybe India should wait for the next thumping before—

[01:05:49.47] - Arvind Subramanian

Well, some would say the thumping is here already in the form of the Trump shock, which kind of, I want to respond to what Will and Simon and Devesh just said. Look, I would say it was one of the catastrophes that we couldn't provide employment in inclusive growth for 200, 300 million people, Indians. I mean, that's been one of India's lasting tragedies, still endures. Even today, no more than 10% of the working age population has formal productive, reasonably paying jobs. That's been a catastrophe because of the particular model of industrialism we chose. But instead of looking backwards, certainly as of 2 or 3 years ago, your last point became relevant, which is that, but can we retrieve that with the China Plus One opportunity? And even though what Simon and Devesh have said that, oh, this is— even labor-intensive manufacturing going forward is not going to be as employment generating as in the past. Even allowing for that, my contention always was the simple statistic. China at its peak did 50% of global market share. We did 4 or 5. We will never do 25. But if you get from 4 to even 11, 12, and also add on the fact that robotics are going to be not as— it's still a huge boost for Indian, you know, employment creation.

[01:07:32.03]

And that's therefore an opportunity that should be seized. But then the Trump shock has come along. And we thought that we would be privileged in terms of access to the Chinese market relative to China and East Asia. But today, China's— the tariff on China is actually lower than— the US tariff on China is lower than that in India. So unless that external environment gets sorted out, I think our ability to do that is going to be limited. Last point I will say is that, you know, Simon, actually we do say in the book very strongly that our policymakers, you know, their gaze was obsessed with the UK, Russia, China, rather than looking east in terms of the

experiences. And I think we paid a heavy price for that. But I would insist that the most pernicious aspect of the license raj, which is what we did to our domestic private sector, did not come from the West. This was completely self-inflicted, and I think there's no exoneration for that. Last point I will say is that, look, the Justin Sandefur point, and when Devesh says, you know, emphasize higher education, human capital, I just feel the utter helpless humility of having seen this over the last 75 years.

[01:09:02.02]

Those 3,000 documents that Devesh has read, every document said improve education, improve education, improve human capital. So there's a line in our book that we say, and I want to conclude with that, looking back at India, the Indian state and Indian democracy remarkably self-reflecting, remarkably. Occasionally also self-flagellating in remarkable ways, but rarely self-correcting.

[01:09:30.31] - Caroline Atkinson

Oh, okay, well, that was a tremendous tour de force. I'm a bit sorry that we haven't ended on a note— maybe there will be some self-correction, and let's hope for that. We've we can see it around us in some ways. Thank you very much to all of our authors. Very good. Oh yes, one last point for those of you here, there is book signing