‘Indian economy not ready for a start-up epidemic’

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About 220 entrepreneurs looking to scale up their businesses participated in the sixth annual leadership workshop conducted by Sadguru Jaggi Vasudev’s Isha Foundation at its campus in Coimbatore last week. Mint is a partner in the programme.

In an interview, Sadguru talked about the start-up epidemic, the Rally for Rivers initiative and challenges ahead, as well as the current political scenario. Edited excerpts:

You drove over 9,000 km across 16 states to create awareness for Rally for Rivers. What is the plan of action going forward?

The real rally for rivers begins now. The driving part was just the beginning. But what it did was, it brought an unprecedented participation of people, with 160 million participating in one movement in a month’s time in one way or the other, across the spectrum of political parties. It makes India’s future very bright because when things really matter, we will come together and make it happen.

Since 2 October (when the River Revitalization Policy Recommendation draft was presented to Prime Minister Narendra Modi), there have been many significant moments. We have formed a national board with five prominent members including someone from the Farmer Producer Organizations, which will be key in implementing this policy.

We have had meetings with Niti Aayog and the Prime Minister has constituted a body with which they are interfacing.

Maharashtra is proactive and is ahead of all states. Sudhir Mangantiwar, the minister of forest department and finance, has said they will plant 10 crore trees in the Ganga basin, which is largely in Uttar Pradesh. This is the first time a state minister is consulting and participating in plantation in another state. This is the level of coherence and enthusiasm that this initiative has brought. We have also signed MoUs with various states.

This is an ambitious initiative. What are the key challenges in its implementation?

The big challenge is to set up the necessary legal and enforcement structures as the exercise needs them to protect people who invest and those who own the land.

There are also political dimensions. When the rally was on, activists said farmers’ land will be taken away, rivers will be destroyed and will be used for plantation. The government is also looking at forming a legislative structure to accommodate various aspects.

We have essentially forest-fed rivers. Only 4% of our river water is ice-fed or glacier-fed. When we come to farmland, which is 75% of the land, we are looking at how to go into the micro-irrigation system. Micro-irrigation can’t work if left to farmers and needs to be outsourced to private agencies.

One company in Karnataka has done this successfully. What we are trying is wherever new plantations happen, we tell people that it can be a subsidiary livelihood that they can earn from its produce but they need to take care of it.

Tree-based plantations on farmland can run into 28,000-30,000 sq. km and this stretch can be largely outsourced, say, 50-100 sq. km handled by one company. The land will be capable of holding water, erosion will be contained, and we are trying to make this organic, so the fertilizer content will not flow into the river, because life in the river is hugely affected by fertilizers and chemicals going in.

We need determination in terms of political leadership, both at the state and central government levels. We are seeing it already but we now need to translate that into action.

Insight is all about entrepreneurs trying to scale up. What are your views on the start-up scenario in India?

India’s economy is not ready for a start-up epidemic. I have met people who say they have set up 20 startups. Essentially, we are looking at the business itself as a product, where you build a product or a machine and then sell.

Some people will call me conservative, but there is no safety net for those who fail. When people fall, they fall really hard in our country. India is in such a stage of economic development where we need solid businesses that last many years and will build teams, possibilities and experiences.

I am told there is a tremendous amount of money lost in food apps in Bangalore. Everyone started food apps but how many survived?

I think family businesses are still crucial for India’s economy but they need to professionalize. For young entrepreneurs too, family should play a significant part.

Your advice to young entrepreneurs?

People should look at building long-term businesses, not just selling a business. If an opportunity comes, you will sell it but you shouldn’t start a business with the intention to sell, because India’s economy is still not mature enough for that.

Right now, there is entrepreneurial enthusiasm and if this has to be maintained, substantial success has to be demonstrated.

There have been some big policy changes in the past year that have also created some uncertainty in certain sections. Is the government on the right track?

If you allow me an analogy, it is like this government is trying to lay the foundation stone to make a new building. We want to become a developed economy and the right moves have been made in that direction. The fundamentals are right but the details are a bit unclear.

What the government must do is that the finance ministry and PMO (prime minister’s office) must meet practitioners from major sectors and not talk, but listen to them and get their feedback on steps taken. This exercise should be done in the right earnest, and then they can make up their minds on what to do, and how to do it. The government’s main motive has been to increase enterprises, but right now, enterprises and business are suffering. If this is done, then the big steps that have been taken should take proper shape.