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PREMIUM



THIRTY-FIVE YEARS LATER, LET'S PICK UP THREADS OF AN INCOMPLETE 1991 STORY

MANISH SABHARWAL



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January is named after the Roman God Janus, with one face looking forward and the other looking back. New Year reflection and planning feel apt this year, as we complete 35 years of the 1991 reforms. Those reforms were substantial but incomplete; China's per-capita GDP — the same as India's in 1991 — is now five times higher. Last year's economic reforms were brave. This year's agenda is bigger and bolder, but five revisions to our thinking about entrepreneurship are needed for massive non-farm job creation.

The "substantial" label for 1991 is delightful: Vehicle ownership has grown 45 times, Provident Fund contributions 75 times, foreign exchange reserves 120 times, [stock market](#) value 500 times and phone connections 600 times. The "incomplete" label for 1991 is painful: 45 per cent of our labour force still works in agriculture, our 6.3 crore enterprises translate to only 8 lakh Provident Fund-paying employers, and manufacturing's labour force share equals that of post-industrial America (11 per cent). If India can create the world's largest democracy on the infertile soil of the world's most hierarchical and diverse society, why did we let China get ahead economically? They aren't smarter than us, and isn't politics harder than economics?

Our poison was ideology that abandons abundance. And ideology — left- or right-wing — is a poor guide to policy anywhere. Research by economist Stefanie Stantcheva shows that zero-sum beliefs in the US, UK, France, and Germany on the left (people only get rich by making others poor) and the right (immigrants get rich by making the natives poor) reflect the same underlying worldview: There is only so much to go around, and heavy policy intervention is needed. The West is just catching up with our zero-sum economic ideology from 1956, 1968 and 1976.

This suspicion of entrepreneurship has cost us millions of non-farm jobs. This suspicion may have been justified in 1800 when economic output had been flat for 18 centuries, and entrepreneurship was mainly slavery, colonialism, exploitation, and violence. But a rethink 200 years ago — a modern state is a welfare state financed by taxes paid by thriving citizens and entrepreneurs — has meant that global GDP is up 1,600 per cent and most lives are no longer “nasty, brutish and short” or hungry. The divergent prosperity of countries suggests fitrat (culture) matters less than falsafa (thinking) and vikalp (choices) about entrepreneurship.

Not alleviating poverty preventable by entrepreneurship is a form of violence, yet entitled dynasts continue to peddle dated ideology that views suited-booted entrepreneurs as predators. This proves nostalgia is a dangerous emotion.

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Of the five revisions needed to our thinking about entrepreneurship, the first is “to get rich is glorious”. This accepts that Garibi Hatao is impossible without Ameeri Banao and wealth creation motivates individuals, while only people born on the 10th floor look down on wealth or income. The second is “some people will get rich before others”. This accepts that throwing billionaire entrepreneurs or prosperous southern states into the Indian Ocean would reduce India’s inequality, not poverty. The third is “cross the river by feeling the stones”. This accepts that a better recipe always beats more cooks in the kitchen; we need calibrated policy risk-

taking, experimentation, and status-quo disruption. The fourth is “don’t care if a cat is black or white if it catches mice”. This chooses pragmatism over ideology by valuing any state (north, south, or west), sector (manufacturing or services), or firm (domestic or foreign) that creates high-wage, non-farm jobs. The fifth is “when you open the window, some flies will always get in”. This accepts that drunk driving is not an argument against cars; using cases of fraud like Satyam, Sahara and Nirav Modi to write laws and excessive prescription of jail for economic offences causes economic self-harm.

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By now, many readers will be agitated with my five “thought worlds”. Rightly, because I paraphrase Deng Xiaoping. Wrongly, because it feels like I idealise China; I never want to live there. I paraphrase because the pragmatism common to the world’s two best mass prosperity examples of flow (China moving 400 million from farm to non-farm employment since Mao died) and stock (America’s \$82,000 per-capita GDP) is under attack. Xi Jinping has compiled a list of things Deng did right and is cancelling each. US President [Donald Trump](#) is corroding a lot of made America great: Stealing the best people in the world, public investment in basic science, and globalisation of company supply chains.

Predictions of pain from Xi's purge in China (export slowdown, debt crisis, or technology deceleration) or Trump's vandalism in America (inflation, labour shortages, or equity/bond vigilantes) have so far been wrong or premature. Since pain for both will be unhelpful for India, let's hope it doesn't come or arrives as a gentle sunset rather than a bulb going off. Economist Gita Gopinath estimates a crash could destroy \$35 trillion in global wealth, and foreign policy wonks predict a new cold war; our best preparation for both is domestic economic and technical entrepreneurship.

A younger me often mocked the same word for yesterday and tomorrow (kal) as passivity, but I now see the wisdom of kaal (perpetual time) in enabling constant revision to thinking and choices. This frames India's poverty as a disappointment rather than a lie. The PM has articulated an ambitious reform agenda for 2026; deregulation (implementing Jan Vishwas Siddhant for licensing, notices, inspections, penal provisions, instrument restrictions, and single source of regulatory truth), decriminalisation (rationalising an imperfect commercial deterrent through Jan Vishwas 2.0 and 3.0), digitisation (paperless, presenceless, cashless government interface), decentralisation (devolving funds, functions and functionaries) and democracy (interrogating and boundary setting for the administrative state). This overdue reform reflects the aspiration of the 1961 song from *Hum Hindustani*, 'Naye daur me likhenge nayi kahani (let's write a new story for a new era)' through nayee umangein (new aspirations). Rethinking entrepreneurship in five ways feels like a precondition.

The writer is co-founder of Teamlease Services

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