

Podcast Transcript [30.09 Vinay Sitapati - Driving change when there is short term pain and long term gain](#)

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Context to the nugget

Vinay discusses Narasimha Rao's strategy to usher in liberalization without too much fanfare given the fragile situation he was in. He shares his thoughts on how some other politicians have managed to drive tough change with the support of the public which involved long term gains (Park Chung-Hee in South Korea, Lee Kuan Yew in Singapore) but short term pain.

Transcription

Deepak Jayaraman (DJ): The other thing Vinay especially in politics is often leaders have to take decisions where there's short term pain but there's gain over the long term but people often don't see that people often experience the short term pain with greater intensity than they see the upside over the longer term so what can we learn from NR about moving on those kinds of situations.

Vinay Sitapati (VS): Its important before I answer this that just to get to the fact that what you have said like its indisputable today so many years after liberalization that the changes that NR brought about were unpopular in the short term but have brought long term gain to India and that's a fact on the economy for example real income across percentiles have increased the poorest Indian is less poor thanks to NR and the policies that followed after it's not just NR it's also the Deve Gowda, Vajpayee, Manmohan Singh but the shift that he made the same you can say about foreign policy India has a greater power today that it was in the 80s that's the fact you can say that about welfare schemes India has better welfare schemes today, it has better schemes at health education it has certainly more money to deal with these problems that it had before 1991 so the fact of the matter is that the policies of NR were unpopular in the short term but have proven beneficial especially to India's poor in the long term, there is the debate on whether inequality has increased I think the answer is yes certain kinds of inequalities has increased, it's not alarming at the global level I think that's a just conversation to have but we have moved from the situation in which broadly everybody had nothing to eat when today there is inequality in what people have to eat and I think that's a fair criticism but to just talking about that without focusing on the fact that there have been long term benefits was one of the points of this book because I think there's a lot of misinformation which is not based on looking at evidence, the question was how did he get buy in? The short answer is he didn't. NR felt and I think he was right in this judgement that in the short term India voters would punish him so he chose to lie he chose to be a fox, he would do economic reforms while pretending he was doing nothing he would say what am I doing is just the IMF like he is the only politician I can think of who did something good but went to extraordinary efforts to hide his finger prints because it was unpopular in the short term. In congress working committee after meeting after meeting, when congress man would be shouting at him saying you are going away from socialist Nehru he would say don't look at me look at Dr. Saheb, Dr. Manmohan Singh he is the man with PhD so he

would make what was fundamentally an ideological choice sound like medicine that has to be administered in a clinical non-political way by a doctor to a patient I think that is genius so the simple answer to your question is he didn't buy in he didn't trust the Indian voter to try to sell this to them instead he lied he pretended that nothing has changed and the 1996 elections he campaigned on the basis of his welfare schemes not of the basis of economic reforms and he lost so the Indian voter has not bought in or did not buy in to NR's changes if they had he would have been re-elected, I think that what he did was arguably correct at that point because it was unpopular and he was too weak to attempt to build a constituency over something that was short term unpopular, given how little power he had but I think the tragedy has been that many politicians have learnt from NR that make changes in India do economic reform do foreign policy changes but don't talk about it. Keep it quiet and I think that, that has been one of the negative consequence that the lack of getting popular buy in to something that has so obviously brought long term benefits, I am not saying that liberalization has solved all problems in India but it has now created a qualitatively different set of problem than what we had before 1991 but I think that that's a mistake that NR made inevitable and necessary perhaps at the time but something that has left a poisonous legacy.

DJ: But that's where the benefit of hindsight may be just to pressure test that when you are at the point of making the decision how do you convey the 20 year upside on day zero?

VS: I can think of so many politicians Churchill being that most classic example, Park Chung Hee in south Korea being the other big example, Lee Kuan Yew being the other example who say that look I am taking a poor country on this modernising journey, they're going to be short term pains but I can assure you this with some guarantee that your children will have better life than you do it takes a certain kind of politician it has been done but that politician has to have the mandate, he has to have the trust of the people and only then can the voters say I will undergo some pain for you because I know my child's life will be better, NR was an unknown he had a charisma of as repeatedly say of a dead fish, nobody had heard of him even after he became prime minister, few people had heard of him, I can tell you that when I went to Hyderabad to meet the NR's family for the first time, around 2015 and I asked my Taxi guy have you heard of NR I am going to his family's house he said oh yes he is the guy after him that flyover is named, he didn't know who he was? So a man like this I don't think would have been able to take the Indian people along and I think that he was well aware of his weakness of this that he would not be remembered I can tell you that before my book came out I remember talking to a friend of mine who was doing a PhD on India in an Ivy league university and he was doing a PhD in political science and I said look am writing this book on NR, my friend said who is he? And this is an academic working on contemporary India so a man like that is not going to lead Indians into saying that Modi is trying it lets see whether it works or not but NR no way he would have succeeded and I think he was realistic enough to know that so on hindsight I think he made the right judgement calls for his survival at the time.

Reflections from Deepak Jayaraman

DJ: The key takeaway for me here is that so much of leadership is so contextual. How we think about which agendas to pursue? How we think about driving change? How much we want to communicate about what we are doing?

The reality is that there is such a significant information asymmetry between the leader and the masses that sometimes, we can't these things to a democratic vote because they don't have a 360 view.

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I guess that is where the moral obligation of leadership comes in. The obligation to live upto the trust that has been bestowed up on the leader to do the right thing even though people may not be able to see all the pieces of the puzzle and might punish you.

Thank you for listening. If you are new to the podcast and want to get a sense of the nature of content that is covered, you might want to go to YouTube and type “PlaytoPotential Highlights from 2017”. I have tried to capture the key takeaways from my various conversations last year with leaders across disciplines. If you want to listen offline say during a car ride home or during airplane travel, you could also access the Podcast on iTunes, Stitcher, Saavn and several other podcast apps. Google has recently launched an app for podcast listening on Android platforms too. If you went to playtopotential.com, you would also have the opportunity to listen to multiple voices curated by a topic.

To give you a sense, one of the playlists is Resilience. Guests talk about how they cultivated resilience and dealt with pockets of turbulence that they hit in their journeys.

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End of nugget transcription

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- 30.00 Vinay Sitapati - The Full Conversation
- 30.01 Vinay Sitapati - Early career choices - Law, Journalism, Teaching and Writing
- 30.02 Vinay Sitapati - Delivering good judgments
- 30.03 Vinay Sitapati - The reflection habit - decoding signal from the noise
- 30.04 Vinay Sitapati - Managing time, unfettered curiosity and resilience
- 30.05 Vinay Sitapati - Leadership under extreme constraints - Lion, Fox and Mouse
- 30.06 Vinay Sitapati - Staying relevant through transitions
- 30.07 Vinay Sitapati - Assembling an effective team
- 30.08 Vinay Sitapati - Making/Not making key decisions
- 30.09 Vinay Sitapati - Driving change when there is short term pain and long term gain
- 30.10 Vinay Sitapati - In summary - Playing to Potential

About Deepak Jayaraman

Deepak seeks to unlock human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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