

Innovation Economy: The Indian Challenge and Opportunity*

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It is a great privilege to deliver this prestigious R.B.R. Kale Memorial Lecture. I am truly honoured to be amongst you today in Gokhale Institute of Politics and Economics, a world class institution, which is not only the pride of Pune but also of India. This institute has not only been a centre of excellence in education and research, but it has been a great thought leader right from its inception. Its founders would have been proud to see the momentous journey that this great Institute has had so far.

I feel particularly humble when I see that this memorial lecture series, which was started in 1937, has had people of great eminence ranging from Babasaheb Ambedkar to C.D. Deshmukh, from Dr. Man Mohan Singh to Jagdish Bhagwati, giving this prestigious lecture.

I also feel specially honoured because I appear to be the only other scientist – besides my friend Vasant Gowariker - to speak in this lecture series over the past seventy five years.

I have been working in science and leading science in India. I firmly believe that science must ultimately make economic sense. It is rather a coincidence that yesterday I had the honour of giving the evening lecture in the Annual General meeting of Indian National Science Academy, primarily to a gathering of leading scientists. The title of my talk was “Whither Science Led Innovation?” It is a coincidence that within 24 hours, I am speaking to a gathering of eminent economists on the subject of ‘Economics of Innovation.’

I remember giving the Dr. C.D. Deshmukh Memorial Lecture on 14th January 1999 in India International Centre in New Delhi. It was entitled as “Economics of Knowledge”. Research converts money into knowledge. But it is innovation that converts knowledge into money. Today’s lecture, which deals with economics of innovation, is, therefore, a most logical sequel to my Dr. C.D. Deshmukh Memorial Lecture delivered 13 years ago.

Innovation Led Economic Growth

Joseph Schumpeter with his classic 1942 book *Capitalism, Socialism and Democracy* really laid down the fundamentals of ‘innovation economics’,

* Text of Rao Bahadur R.R. Kale Memorial Lecture delivered at the Gokhale Institute of Politics and Economics, Pune, on 28th December, 2012.

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