

Mr. P K Kaul Memorial Lecture
11 January 2009
Noida Sports Club

I have delivered many many speeches to many audiences.

But, this evening is the most special.

To be asked by Kedo Bhargava to deliver The P K Kaul Memorial Lecture 2009 is truly a great honour.

Let me tell you why. Just 1 Anecdote.

It was the end of 1980. Mr. P K Kaul was Commerce Secretary. I had been in Delhi with CII for 6 years.

He summoned me. I went. He “asked” me to organize from CII an Indian Trade Fair in Dhaka in February/March 1991.

He knew it was more or less possible.

But, this was the 1st time Bangladesh had agreed to an Indian Trade Show – a major public Exhibition by India – in that country.

We did it – the impossible – when our own officials in the HC in Dhaka were placing bets on failure.

How could we do it? How could we move tons of material, equipment, trucks – crossing rivers – to impact Bangladesh and its people hugely?

Because Mr. P K Kaul gave us Trust.

He gave us Confidence.

He gave us support.

He intervened to solve problems.

This experience continued through all his incarnations including Cabinet Secretary and Amb to US.

SOLUTIONS

He was decisive – always.

He was clear – always.

He was a leader – always – so rarely to be found today – and so deeply needed to deal with today's crisis and challenges. So its very very special to be here. Thank you.

This Economic Crisis in USA. This virus began in New York. With Bankers and Businessmen being excessively greedy and taking undue risk with other people's money.

This viral has spread throughout the world, including India. We are no longer decoupled from the world or America. We are sadly and inevitably coupled. And.

So, instead of coasting along at 9% plus GDP growth year on year, we are struggling to get to 7% this year. Next year, it could be 5%.

As if this was not enough of a challenging, we also have the challenge of professional commando – style terror attacks. Mumbai was the first. There could be more.

And, finally, we have the Fraud at Satyam, announced by its Chairman and Promoter impacting India's image, sullyng the Indian private sector and endangering the lives of 200,000 people – employees and their families, huge asset, technology and a worldwide network of customers.

Of course, there are many more challenges facing India :

Weak governance and admin.

Huge unemployment and unemployable people.

Massive poverty and inequality

Messy cities.

Air and water pollution

Weak infrastructure

Poor discipline and work culture

Totally inadequate Education and health facilities.

To mention only a few. India has every single problem.

Let me focus on the Economy and the Private Sector.

Our 24X7 Media magnifies every single issue and non –issue but, as far as the Economy is concerned, India spent its energy in 2007 controlling inflation and is now trying to arrest deflation. Not very successfully.

Prices are still rising and we can't really take comfort from official stats.

Growth is still falling, jobs are being lost and exports are going down.

For me, the answer goes beyond cutting interest rates and trying to make money available because banks have money but won't lend. They are afraid.

The critical positive action we need is to implement infra project – especially roads but, also, ports, airports, power projects, waterways, city development etc.

We can do this. By govt. By industry.

We have funds and we can access funds from overseas. But, we are not.

We desperately need to get these done and we will be over 7% annual growth.

Construction activity will have a chain effect. Jobs. Earnings. Spending. Saving. Development. Growth.

Lets not try to do too many things. Lets do 1 thing and do it right. Construction of Infra is that 1 thing to benefit all.

I have to talk about the Private Sector especially after Satyam.

In my 45 years with CII. I have dealt with every businessperson, small, medium, large.

Business is driven by the motives of building industries, making money/growing/ and power. These motives are fine and are usually balanced.

And, over the last 15 years, since Companies came in, and Corporate Governance came in, business have learnt to be more transparent, to disclose full information and be publicly accountable.

The Satyam case is a one-off case.

Eventually, its not the law or the rules. It's the Person. How we run our life is upto us.

I believe there are very few people who could do what Ramalinga Raju did. Maybe, one or two more in future. Not many. Not a trend.

But, Satyam will impact all. It will lead to Govt action vis-à-vis Business and Indutry. No question in my mind on this.

Lets hope we don't go overboard with controls which will spare more corruption.

The best solutions are more and more competition; more disclosures, more technology – based procedures – not rules and inspectors.

We have an amazingly strong network of Entrepreneurship we have a pipeline of young entrepreneurs from the 500 million young people of India.

We can't solve our problems only with jobs. We need new, creative business to be set up and this is happening. And, they will employ people and more people. There is no other way.

BYST Entrepreneurs story.

Though I worked in CII, one always was sceptical about business. Once a CII President asked me why I worked in CII when I was so critical of the private sector my spontaneous answer – this change has happened and will happen more.

When the pressure of company grows and people, especially shareholders, are far more alert and questioning.

That doesn't mean that the Public Sector has no role.

I, for, believe in a strong PSU network especially in Strategic industries but they need to be free of the Politicians and officials. They have the best of people working in the worst of environment, demotivating, mistrusting, non- empowering. They need space. They need space. They need trust. And, they will deliver for India even more.

Of all the other problems and challenges facing India, there is one which needs overwhelming priority – Education – at all levels, Here again, massive deregulation is required so that our schools and colleagues can bloom and flower. Of course, regulation is required but not crazy rules. I have always believed in India.

Always been an optimist. And, worked to make things happen.

What is the biggest challenge?

To get things done.

To get Govt to get things done.

Like it has with Satyam – moving fact, positively, clearly.

And, when we look at India, we see this again and again.

Govt can get things done.

At a District level.

At State level.

At National Level.

The great successes in Telecon, Space, Nuclear are only 3 of many examples.

So, we have had people who delivered. Who got things done. Leaders.

One of the best sons of India has been Mr. P K Kaul. He was one such who got things done. The best way. To pay tribute to his memory is to remind ourselves that we need "Doers", we need more " P K Kaul" and that's how we can deal with our multiple challenges. Social, economic, security. That's how I remember him and he is a role model for me. Thank You.