

Will Indian industry engage Bharat?

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Indian entrepreneurs are talented and have emerged from the pains of globalisation with confidence and competence. But they are not trusted and cared for, as of now, by the government, NGOs and the public, says Tarun Das.



THE people of India have given Mrs Sonia Gandhi, Prime Minister Manmohan Singh and his team the baton to tackle the multiple challenges of India. And, there is confidence that 2009-14 will be far more meaningful than 2004-09 in regard to inclusive development. But the government alone cannot solve all the problems of India. The voluntary sector does credible work with limited resources and will add their mite. However, the real value add can come from Indian industry — especially the private sector which is engaged in social development activity but far below its resources and true potential.

If the private sector takes its social and national responsibilities truly seriously, 2009-14 can witness a paradigm change in development. Social responsibility is still a marginal, limited activity for industry in India. Not only that, the private sector is still apparently unconscious of the enormous poverty surrounding its island of affluence. Wealth creation and wealth accumulation continue to be of overriding importance — rather than wealth sharing and much higher resource allocation to developmental activity. One unfortunate aspect is the ostentation in the private sector — display of wealth through expenditure on homes, family celebrations (especially birthdays/weddings) and “personal” priorities such as travel/vacations.

By doing all of this, trust in the private sector’s commitment to, and caring for, society is largely non-existent and entrepreneurs are seen as selfish, self-centred and self-absorbed. Lack of trust and alienation are then two sides of the same coin. How to change all of this and help build and sustain public trust in industry? Through action, not words. In the same vein, why is there so much “red tape” in India? Because India has a “mistrust-based” society and system. Red tape is supposed to safeguard against misuse and abuse and, of course, does no such thing. Government has its own trust dilemma and resorts to red tape as an insurance policy, knowing

fully well that this is not a medicine which cures.

Indian entrepreneurs are capable and talented — the best in the world — and have emerged from the pains of competition and globalisation with confidence and competence. They are the envy of most countries and are the pride of India. They can also be respected, trusted, and cared for — but, they are not, as of now by government, NGOs and the public.

And, this is sad because Indian corporates have, and are, contributing to social development through affirmative action; skills development; micro-finance programmes; women empowerment; primary education initiatives in rural areas; supporting healthcare; building infrastructure in villages; setting up low-cost housing; reconstructing villages ravaged by natural calamities; planting trees and helping the environment agenda, etc. India is the only country where industry has set up care and treatment centres for HIV/AIDS affected persons (ART Centres) — this is an outstanding example of social action.

But compared to the size of India, the extent of poverty and deprivation, industry's contribution is only a drop in the ocean. What is the common perception of Indian industry? That they evade taxes (so, the finance ministry mistakenly tries to plug loopholes through more complex laws and rules), they underinvoice or overinvoice (depending on the transaction), they pay themselves exorbitantly (and pay their employees, much much less), they assure themselves of security (but not to those who serve them), they keep money abroad in private banks, etc. In essence, they are not to be depended upon to be truly "national" or to be placing public interest above all.

MUCH of the private sector are educated, enlightened people, the best education money could buy. With education comes understanding and enlightenment. But, it appears as though the educated and enlightened really do not care or care very little. It will be great if this were not true.

Equally important is management and organisation. The ability of Indian industry in this regard is truly amazing. To conceptualise, to plan and then to implement. What a difference this capability can make to India if it is available for public and social work. If the efficiency of the private sector can merge with the plans of government and the idealism of NGOs, India will be a different place. So, Indian industry can truly help make a difference to the future of India, and the majority of Indians, especially the poor, if it sets its mind to it. This does not mean that industry is the answer to India's challenges of poverty but, in a sustained, stronger partnership with government and the voluntary sector, a new dimension can be added to development and growth, to efficiency and implementation.

The integration of industry into development tasks, thinking beyond its own self and imperatives would make a huge difference to the next five years and beyond. There is no better time than now. After several years of 9% plus GDP growth and a future of 8% annual growth for ten years and more, India's industry will have the resources to make a qualitative and quantitative difference to dealing with India's social challenges. A Rs 10,000-crore Industry Social Development Fund can be created and its value will be 100 times this amount.

Indian industry now needs to truly integrate into a public-private partnership which can transform India, "wipe the tear from every eye" and meet its destiny — not necessarily of being a superpower but a peaceful, stable nation of all people who have a good life.

In April 2007, the prime minister, addressing CII, outlined a 'Social Charter for Industry'. A 10-point Agenda. For over a month the media went to town, debating the PM's social charter especially his suggestion that there should be some moderation in emoluments. (Now, the US has appointed an Emoluments Czar!)

Its time, now, in 2009, to revisit the 2007 social charter and check how industry is

faring on each of the ten points. Also, to see whether those ten points need to be added to or modified. Next five years can be a period of transformation for India and Indian industry can do outstanding work in the social development area. By its actions, industry needs to earn the respect of the likes of Aruna Roy. That will prove that India's industry has engaged Bharat — and made a real difference.

(The author is Chief Mentor, CII)