

Changing Colours of Government – Business Relations

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Back Drop

Pre – Independence India, pre 1947, Indian Business was aligned with the Indian political leadership. The ‘Bombay Plan’ framed by JRD Tata, GD Birla and other business leaders outlined an economic development strategy for India, post-Independence. But, after 1947, there was growing distance between the Government and Business, i.e., the private sector.

This was reflected in Government’s Industrial Licensing Policy, the Industrial Development and Regulations Act 1956, The Monopolies Act, the Monopolies and Trade Practices Commission and a host of other legislative and policy measures to limit the freedom of the private sector to grow. Also, a new term was introduced: the public sector to occupy the commanding heights of the economy. Essentially, a reflection of mistrust of Business with Government imposing a micro-management economic policy regime.

This process continued till the 80s, resulting in distance, differences and, even, confrontation between Government and Business. However, some of the larger Business groups thrived within this system of controls by exercising their own influence and pre-empting capacities. Particularly odious controls were the restrictions on Small Businesses to grow. Artificial limits

were placed on small entrepreneurs to access finance and other facilities, to grow. Entrepreneurship was not in favour!

As a result, the 'Colour' of Government-Business Relations was a depressing "Black"!

Early Changes

The first real sign of change in the relationship between Government and Business came in 1983 when Rajiv Gandhi (then General Secretary of the Congress Party), called the Association of Indian Engineering Industry (AIEI), the predecessor body of Confederation of Indian Industry (CII), to brief him, and other political leaders and senior officials in a closed-door, several hour session on Industrial Development issues. This went far beyond formal, protocol meetings.

He continued this process of informal consultations and briefings, including the presence of Ministers and senior officials. Very different from the previous format of written representations by Business, usually no response from Government and meetings and calls on Ministers and officials which were largely protocol and infructuous. A frustrating time. Little or no dialogue. The exception: T.A. Pai, Industry Minister for a few years, Mantosh Sondhi (Secretary, Heavy Industry and, later, Secretary, Steel). Both engaged, listened and acted to support a new model of Government/Industry Dialogue in their area of responsibility. They did not have a hostile or negative attitude towards Business. Quite the contrary.

Rajiv Gandhi took the engagement to another level when he became Prime Minister. On 22nd March 1985, he spent time with AIEI just focusing on Export strategy. In May 1985, he overruled the objections of the “system” to take a private sector delegation of 18 CEOs from AIEI to Moscow on his first State visit. In a meeting in Moscow during that visit, he said that private sector entrepreneurs would change the future shape of India. This was long before Indian business had any such aspirations. He hugely motivated Business.

The Glory Years

The changes in the relationship, 1985-89, during Rajiv Gandhi’s Prime Ministership were carried forward and institutionalized during the 1991-96 period when PV Narasimha Rao was PM, Manmohan Singh (Finance Minister) and AN Verma (Principal Secretary to the PM). Plus Rakesh Mohan (Economic Adviser, Ministry of Industry), Jayanta Roy (Economic Adviser, Ministry of Commerce), Montek Ahluwalia, Finance Secretary and NK Singh, Revenue Secretary. Naresh Chandra, then-Cabinet Secretary also played a key role. These personalities made a significant difference.

Business and Government worked as one team on domestic and foreign policy issues with day-to-day leadership being provided by AN Verma.

There was dialogue, engagement, consultation, sharing of views, travelling with the PM abroad, Davos, Vietnam, Singapore, etc. Much of this new teamwork was quietly done, below the radar

screen and outside media attention. It was a new phenomenon and not a one-off effort. On the Business side, some of the key players were Ratan Tata, Rahul Bajaj, Dhruv Sawhney, Jamshed Irani, Jamshyd Godrej and Subodh Bhargava.

This period represented a new phenomenon in Government-Business relations and much credit has to go to the officials who were “secure” (as distinct from insecure), were comfortable interacting with Business without, in anyway, being compromised. A clear reason for this sense of security amongst these officials was the longer-term tenures they had served in Government; they had proved their capability and integrity. Business, also, worked seamlessly with them irrespective of whether they were Principal Secretaries, Secretaries or Joint Secretaries.

The “Colour” of the relationship between Government and Business was transformed, from the earlier situation of distance to closeness, from ‘black’ to a cheerful “blue”! From mistrust to Trust. A specific example in 1993/94 was the first CEOs delegation to Singapore in September 1993 which spent four and half hours with PM Goh Chok Tong, feedback to PMO and Narasimha Rao’s 1994 September visit to Singapore and his famous “Look East Policy” Lecture. Coinciding with the PM’s visit, the opening of CII’s office in Singapore. The entire exercise was quietly coordinated by the PMO, MEA and CII working in close harmony. India came out looking very good.

The relationship change coincided with major policy changes by the Government - abolishing Industrial and import licensing, the Monopolies Act and the Monopolies Commission, to name

just a few examples. Liberalization and deregulation was the order of the day, driven by Manmohan Singh , AN Verma and his team, with the PM lending political cover. GDP growth rapidly jumped to 7% for the last 3 years of the 1991-96 period. There was premature euphoria in the air.

In the post – 1991 period, there were amazing stories of ‘Public Private Partnership”, i.e., Government and Industry working together. One particular example continues to this day.

Davos: Bridge to the World

Business, essentially CII-Confederation of Indian Industry – built a deep cooperation with the World Economic Forum (WEF), Geneva since 1984, which led to a Business-Government joint effort to use the Annual Davos Symposium in Switzerland, organized by WEF, to project India. CII promoted Indian corporates to join the Forum as members; CII organized an India Reception each year which increased in international popularity year after year. Indian CEOs also hosted separate Receptions. Indian speakers were included in Panels. Indian artists such as Amjad Ali Khan performed. Indian Prime Ministers delivered Keynote Speeches. Indian Ministers and officials participated and presented the Indian perspective. This extended to States. The first State to become a Member of WEF was the Government of Andhra Pradesh and Chandrababu Naidu, Chief Minister, gave very high priority to using Davos, to reach out for Investment in the State.

Davos was used as a bridge to the world by the Indian Government, State Governments and Business working in concert. This partnership still continues and the investment of time, energy and finance to use Davos to serve India's national interest has been well-served, year after year. It is an ideal example of Government and Business working in harness and needs to be emulated in other spheres of activity.

In addition, the relationship with WEF led to Indian participation in their events and meetings around the world, giving Indian Government and Business a platform for outreach, be it in China, Africa, Latin America or Asia. At the same time, the World Economic Forum (WEF) was given a special platform in India, with the Central and State Governments, by CII.

Ministry of External Affairs

Davos was a classic example of partnership involving the Ministry of Finance, the Ministry of Commerce and Industry, the PMO and CII. But, there were also outstanding examples between the Ministry of External Affairs (MEA) and CII.

In late 1980, 9 years after the creation of Bangladesh, India was given a green signal to organize a major Indian event in Dhaka. To be done by March 1981. A very tight deadline. AIEI (CII's

predecessor body) was tasked to deliver a Trade Fair, Conferences, Cultural Programs etc at very short notice. Just 3 months. It had to be done and it was done, with trucks crossing rivers carrying exhibits. Customs officers being persuaded to cooperate.

The Exhibition and related events were so popular that the event was extended since people from all over Bangladesh were coming to visit. The Indian High Commission in Dhaka led by Ambassadors Muchkund Dubey and Kuldip Sahdev were indispensable to the project's success. And, Mrs Padma Sahdev fed the AIEI staff, day after day. India-Bangladesh relations took a U-turn for the better.

Another case was Mauritius. Shyam Saran was High Commissioner and CII organized a Made in India Show – an Exhibition, Fashion Show (Indian Fabrics), cultural programs etc. The PM of Mauritius and the people of the country were wooed by India very successfully. Such was the response that it was repeated again during Shyam Saran's tenure. MEA, the Indian Embassy and CII worked hand in hand to implement these high profile events.

A third case was in Singapore where MEA, the Indian High Commission and CII came together to do a similar set of programs to project India effectively.

There are many other examples of successful cooperation between MEA and CII and the Indian Missions. All of these were enormously appreciated and made a difference to bilateral relations.

The United Front Days

Post – elections in 1996-1998, with the United Front Coalition Government, the relationship continued but with little to show in terms of new policy initiatives except Finance Minister P. Chidambaram’s “Dream Budget” reducing the tax rates. This time coincided with the South East Asian financial crisis, lower growth and new pain in the economy and industry. Business sought slow down of liberalization and increased protection – very different to the 1991-96 period. Government – Business relations took a somewhat different turn. Dialogue continued but differences arose on the Reforms.

The Vajpayee Years

When the NDA-1 came to power in Delhi in the late 90s, with PM Atal Bihari Vajpayee and Deputy PM, L.K. Advani at the helm, there was a fresh look at Indian Business and Business organizations, their role, their political affinities (if any), their capability and competence.

A number of questions seemed to exercise the Government:

- Whether partnership and collaboration was possible in the true and real sense.

- Whether Business, which had worked closely with previous governments of other political parties, was politicized and politically aligned.

- Whether Business organizations were trustworthy and dependable.

- Whether Business was only self-seeking or were able to look at national interest, and work for it.

These were natural, important questions and the process of building confidence and trust was based on actions, not words. The Government was favourably disposed to the private sector but it took a steady process of work to build a climate and environment of working together. What helped enormously was that the Prime Minister's office had a very senior position of Secretary (Economic), occupied by N.K. Singh, fully focused on the economy, economic policies, economic growth and interaction with Business. This was an ideal structure to forge a renewed Government-Business Partnership, especially since N.K. Singh, himself, was deeply knowledgeable about economic affairs and committed to working with Business. It was a perfect system at the apex of Government.

The PM's visits to New York and elsewhere were specific occasions when the responsibility for organization and leadership was entrusted to Business Organizations. So, also, for the Finance Minister, Yashwant Sinha. These were important occasions for outreach to investors in different

countries and the planning and execution were jointly done by the Government and Business working in close concert. The 1998 Nuclear Tests by India had led to adverse Western reaction and sanctions. The environment had altered. The joint outreach, in this backdrop, became very important and it worked for India.

The WTO Annual Conference in Cancun was another example of the Commerce Minister, Arun Jaitley leading a delegation of Government and Business. Consultations with Business representatives to frame India's negotiating strategy, on a day to day basis in Cancun was very special; the teamwork under Mr Jaitley's leadership exceeded past precedents. Business engaged with international counterparts on behalf of India; Business addressed the media putting forward the Indian perspective; and, in a variety of other ways. This was a great example of mutual trust and partnership. The Commerce Minister even included Business in his daily morning strategy meetings with senior officials. This was "India Inc" at work.

Business not only interacted with the PMO, Finance, External Affairs, Commerce and Industry Ministries. Science and Technology, Education, Health, Steel, Chemicals, Food and Agriculture were some of the other Ministries which worked closely with Business focusing on consultations related to development, trouble-shooting and growth. Also, with the Planning Commission which worked on the 5-year Plans and to a longer time horizon for India's development.

Being Non-Partisan

Business also learnt how important it was to be non-partisan inspite of the fact that the Congress Party had governed at the Centre in New Delhi since 1947-1977, 1980-1989 and 1991-96. Business learnt about the sensitivities of political parties and how to engage without becoming politically aligned. This was essential learning and practice to maintain continuity of cooperation with successive Governments and their leaders.

A specific example of this was the 1991 suggestion by Dr Manmohan Singh to CII to engage Members of Parliament of different political parties and brief them on Economic issues. This became a regular activity with MPs of different States. In August 1991, at the first-ever, structured Dialogue with West Bengal MPs essentially from the Communist Parties, CII was told by them that it was selling out the country by promoting and supporting liberalization. Countering this with data was critical and it was done.

Irrespective, the process of Dialogue with MPs continued quietly and, over the years, there was positive cross-party support to economic reforms. It was hard work. It was sustained with meetings being held during Parliament Sessions, usually the venue being the State Bhavan (Guest House) which was convenient to the MPs. Several meetings were held using the State language since many MPs were not familiar with the English language.

It was a huge challenge that Dr Manmohan Singh, then-Finance Minister, had posed. The enormity of it dawned on Business Leaders with the passage of time but this initiative was continuously deepened. It still carries on, 25 years after it began.

Ironically, the West Bengal Chief Minister, of the Communist Party (Marxist), some years after 1991 nominated the Chief Executive of a Business Organization-CII-to head a major joint sector company-Haldia Petrochemicals - reflecting trust and confidence of the Communists!

Public Private Partnership (PPP)

Another new initiative of the 90s was the concept of PPP. It started with Infrastructure Investments and, later extended to other areas of activity, e.g, Skills and the Quality Council. In regard to Infrastructure, the concept of shared financial and responsibility but the success ratio was low. Largely because there was lack of clarity on mutual rights and responsibilities. It was not meant to be Government funds for Private Sector Projects, though that was certainly part of the story.

Another PPP initiative related to relatively new initiatives such as Skills Development. The NSDC (National Skills Development Corporation) is one such with 51% equity from Private Sector Institutions and 49% from Government. A Private Sector Chairman as well as CEO with a Joint Board. Another experiment was the Quality Council of India (QCI) with a Private Sector Chair and executives. But, both function with the concerned Ministries, e.g, a) Skills and b) Industry and the mutual confidence and trust level is way below what it needs to be. Ministries, therefore, tend to intervene and the Private Sector persons resent this.

PPP has therefore yet to establish itself as a Trust- based successful operation.

2004-2014: Ups and Downs

The 2004-2014 period of Dr Manmohan Singh's Prime Ministership witnessed many formal meetings but, perhaps, not the same quality and depth of Government/Business informal consultations and teamwork as during PM Vajpayee's tenure. These formal meetings were not agenda-based. Mostly, a round of views expressed by Business Leaders present. Too many speeches. Too many complaints. Too few new ideas. And, little or no followup action. Negligible outcomes.

Mutual expectations, of each other were not fulfilled, leading to increasing public articulation of Business disappointment with Government especially post-2009. The PM's Advisory Council on Trade and Industry continued to meet but people appeared to be talking at each other, rather than with each other. No question, the earlier teamwork of 1991-96 and 1998-2004 had broken down though formal contact and meetings were held.

One significant occasion was 24th May 2007 when Prime Minister Manmohan Singh outlined a 10-point charter of Business Responsibility at the CII Annual Conference:

"First, have a healthy respect for your workers and invest in their welfare. In their health and their children's education, give them pension and provident fund benefits, and so on. Unless workers feel they

are cared for at work, we can never evolve a national consensus in favour of much needed more flexible labour laws aimed at ensuring that our firms remain globally competitive.

Two, corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy which factors the needs of the community and the regions in which a corporate entity functions. This is not an imported western management notion. It is a part of our cultural heritage. Shri Seshasayeeji quoted Mahatma Gandhi. Mahatma Gandhi called it trusteeship. It is based on the idea that the wealthy have an obligation to society and balance in nature. Responsibilities commensurate with their rights. I am aware that some of our companies are doing creditable work. I compliment them. But we need more such inspiring examples. I appeal through the CII to our industry to come forward in a much more substantial manner and engage extensively in activities which benefit society at large.

Three, industry must be pro-active in offering employment to the less privileged, at all levels of the job ladder. The representation companies give to Scheduled Castes, Scheduled Tribes, other Backward Classes, Minorities and Women, in their workforce and staff must increase. I am, therefore, encouraged by CII's Report on Affirmative Action. I commend your example. I hope it will be widely emulated.

Its recommendations should be implemented by CII members in a time-bound manner. I look forward to credible results at an early date. You must show sensitivity to those who are physically less-abled, in providing a work-place conducive to their employment. You must employ retired members of our gallant Armed Forces who spend their youth defending our nation but retire at a relatively young age.

Four, resist excessive remuneration to promoters and senior executives and discourage conspicuous consumption. In a country with extreme poverty, industry needs to be moderate in the emoluments levels it adopts. Rising income and wealth inequalities, if not matched by a corresponding rise of incomes across the nation, can lead to social unrest. The electronic media carries the lifestyles of the rich and

famous into every village and every slum. Media often highlights the vulgar display of their wealth. An area of great concern is the level of ostentatious expenditure on weddings and other family events. Such vulgarity insults the poverty of the less privileged, it is socially wasteful and it plants seeds of resentment in the minds of the have-nots.

Five, invest in people and in their skills. Offer scholarships to promising young people. Fill young people with hope in their future. High rates of growth mean nothing for those who are unable to find employment. We must invest in skill-building and education to make our youth employable. Here too, I appreciate the CII's initiative CII in upgrading ITIs. This is a very good beginning, but there is more to be done. Indian Industry must allocate sufficient resources to skill development, either managing ITIs or setting up a network of Greenfield Skill Development Centres across the country. CII's current efforts need to be multiplied a 1000 times and Indian companies need to allocate resources for this vital work of building the capabilities of India's youth.

Six, desist from non-competitive behaviour. The operation of cartels by groups of companies to keep prices high must end. It is unacceptable to obstruct the forces of competition from having freer play. It is even more distressing in a country where the poor are severely affected by rising commodity prices. Cartels are a crime and go against the grain of an open economy. Even profit maximization should be within the bounds of decency and greed! If a liberalized economy has to succeed, we must give full play to competitive forces and the private sector should show some self-restraint in this regard.

Seven, invest in environment-friendly technologies. India's growth must be enhanced and, yet, our environment and ecology must be protected and safeguarded for our future generations. Industry has an enormous role to play in this regard. Evidence shows that many of our companies are becoming increasingly environment friendly. Our track record in resource use is good, but must improve further. Conservation of natural resources is a national mission. Industry can and must provide leadership on this

front. As a country of a billion plus people, with a scarcity of natural resources on a per capita basis, we cannot afford the wasteful lifestyles of the Western world. Conspicuous consumption must be reduced not just because it is socially undesirable at our level of development but also because it is environmentally unsustainable.

Eight, promote enterprise and innovation, within your firms and outside. If our industry has to make the leap to the next stage of development, it must be far more innovative and enterprising. The success story of the last two decades has been the emergence of a large number of first generation enterprise. As industry aims to master increasingly complex technologies and becomes organizationally more complex, it must try to maintain its competitive edge by investing in R&D and innovation and promotion of enterprise. While government can do its bit, the larger burden is on industry.

Nine, fight corruption at all levels. The cancer of corruption is eating into the vitals of our body politic. For every recipient of a bribe there is a benefactor and beneficiary. Corruption need not be the grease that oils the wheels of progress. There are many successful companies today that have refused to yield to this temptation. I commend them. Others must follow. Businessmen who enter politics should erect a Chinese wall between their political activities and their businesses. CII should develop Codes of Conduct for their members with respect to business practices and for control of corruption.

Ten, promote socially responsible media and finance socially responsible advertising. Through your advertisement budgets and your investments in media you can encourage socially responsible media to grow and to flourish. You can promote socially relevant messages and causes.

These are 10 areas in which industry leadership can go a long way to ensure that our growth process is both inclusive and broad-based. This is not an exhaustive list. You may wish to add to it, and adopt your own Social Charter for inclusive growth. The objective of such a Social Charter would also be to encourage a culture of saving and investment. A culture of caring, sharing and belonging. We must end

forever the debate whether our country's march of progress has benefited India and not Bharat. India is Bharat."

This was a huge initiative by the PM to reach out to Business to integrate itself with national development goals and this 10-point Charter still holds good.

The media, sadly, reacted adversely to the PM instead of welcoming his ideas. Business, too, responded less than enthusiastically, thus losing a great opportunity to align with National Interest and take new leadership in the country's growth process. This adverse to lukewarm reaction led to Government stepping back from deepening its Dialogue with Business. The PM certainly withdrew.

Track II Dialogue

Again, the only significant "success stories" were, outside media attention, in the successful efforts to forge defence and nuclear cooperation between India and USA and the new beginnings with Japan. The Track 2 bilateral Strategic Dialogues played a part, quietly. But the focus and ambit of these Dialogues were on foreign policy areas, not domestic policy. PM Manmohan Singh supported this process and, in fact, asked that a Dialogue with Japan be initiated.

This process of international engagement to deepen India's significant bilateral relationships was very much a Government-Business informal partnership. USA, Japan, China, Singapore, Turkey, Bhutan, etc were covered in a sustained effort. And, the results have been positive.

The States and Business

In looking at Government/Business relationships, the state governments must not be ignored.

Over a period of time, States have become increasingly conscious of the need to strengthen the State Economy and, in that, the role of Business to fuel Investment, to give access to corporates outside India and the State, to project the State, etc, are key partnership agendas.

One constant aspect was cooperation to organize State Investment Promotion Conferences. Another was to organize Trade Fairs/Exhibitions which focus on State resources and help to project these.

But, a classic example of State-Business partnership was set in motion in the late 90s between the Andhra Pradesh Government of Chief Minister, Chandrababu Naidu and CII. The two came together to set up a Joint Task Force with the Chief Minister as Chairman and the CII President

as Co-chair. The Task Force had the Industry Minister of the State, Chief Secretary, Industry Secretary and other senior officials plus select CEOs from CII's membership.

This Task Force worked like a Board of Directors discussing every aspect of the State's economic development and strategy. Amongst other achievements, Andhra Pradesh became the first State to become a member of the World Economic Forum, Geneva and the Chief Minister participated in the Davos Symposium each year, meeting CEOs of the world individually, inviting them to invest in the State and, literally, working from 7am to midnight every single day. In all of this, CII provided constant support.

This model was also extended to specific country-focused initiatives with countries like USA, Japan, Singapore, etc as joint endeavours.

This first-ever joint task force was followed by a number of other States following similar models. A unique partnership strategy and structure.

There are varying models of such partnership. At one extreme, control exercised by Government with execution by Business. Or, alternatively, joint consultation and implementation by Business which is given more trust and space.

A very welcome way is when the Chief Minister and his/her senior officials actually brainstorm on strategy and plans with Business and, then, by and large entrusts the work going forward to the Business Organisation. Regular review meetings are, of course, a “must”.

States have come a long way in projecting themselves as investment centres and, across India, there is inter-State Competition. All to the good.

Now, the Present

The 2014-16 period under PM Narendra Modi has seen a somewhat different type of relationship emerging between Government and Business. Clearly, there appears to be far greater centralization of decision-making with the tendency to seek the PM’s view and directions much more than before. This is a new phenomenon perhaps understandable in a new Government with a new leader.

MNC CEOs seem to have been able to meet the PM but not so Indian CEOs. This strategy has been unclear to Indian Business which had hoped for a close “connect” and dialogue with the PM. Institutions of Industry met the PM in 2015. These seem to have been one-off meetings. Not a regular Dialogue process. Business clearly seeks to have a regular Dialogue since the PM, personally, is very focused on the Economy.

What is not clear is whether Business brings new data and ideas to such a Dialogue. Also, whether Business uses such valuable opportunities to “whine” about problems and constraints rather than talk of future strategy. Business needs to add value, which means data, analysis and ideas. These would enhance their position in connecting to Government which, in turn, would respect such value addition. Research backup for Business to make a difference is critical.

The expectation of the PM from such a Dialogue is also unclear. Is it a “listening brief”? Is it a two-way Dialogue? Is it to communicate clear messages to Business in terms of expectations of Government? Or, a mix of all of these?

Business have supported mega events of Government relating to Make In India and other initiatives. Make in India, Swach Bharat (Clean India), Smart Cities, Skills Mission are some major Missions of the current Government and Business is associated. But, the quality and depth of Business involvement is unclear. These seem to be essentially Government led. Individual, selected CEOs have also travelled with the PM to some countries where CEO forum meetings have been held. It is known that the PM has also made time on some of his overseas visits to interact with the Indian Business Delegation.

There is also a change in the psychology of Business Leaders. Many corporates have become giants. They want to interact with the PM because they see him as powerful and decisive. Big Business have big egos, more than ever before.

But, the consultation process appears to be essentially with the Finance Minister who is, of course, very important. Sadly, less so, with the Commerce and Industry Minister. Least of all with the PM though his Principal Secretary and other PMO officials are engaged. In the 90s, Business Leaders were comfortable working with even mid-level officials. Currently, the focus seems to be on Ministerial-level engagement. One reason could be the frequent transfer of officials.

Perhaps, it is early days and the Government is yet to settle into a “Trust” – based relationship, a “Partnership” - based with Business as distinct from an “Event”-based engagement. Time will tell. But, clearly, soft sounds of disappointment have been emerging from Business about the lack of deep engagement with the PM and the Government. Perhaps, expectations of Business were excessive in 2014 and, in retrospect, it needs to be remembered that PM Narasimha Rao, PM Atal Bihari Vajpayee and PM Manmohan Singh all met Industry and Business infrequently. There was no rationale to expect differently from PM Modi.

At one level, with Deregulation and a steadily opening economy, the role of the private sector has incrementally increased in the National Economy. But, on the other hand, distance between Government and Business remains. It does not appear to be 'India Inc' at work which is sad. And, it needs to be so, based on clearly understood guidelines and boundaries, mutually accepted and followed. Bringing Government and Business together, in a transparent, non-crony, team is the way forward. India has yet to achieve this, currently.

One of the challenges for Business has always been the sensitivity of government to public (as distinct from private) criticism or different of views. Often, Business is "Pulled up" for media reports of criticism of government policies and procedures.

Or, sometimes, the "cold shoulder" treatment is meted out by way of "non-response" and avoidance of meetings and contacts. Ministers have been known to cancel, at last-minute, engagements and meetings with Business to show displeasure.

And, sometimes, calls are received by Business to bring out advertisements or press statements supporting the Government. These are done but with reluctance and resentment.

The best strategy, learnt over many years of experience of dealing with different governments, is to engage in quiet Dialogue. Out of media attention. Private. Informal. Frank, but not

offensive. Solutions are achieved. Egos are not bruised. Confrontation is avoided. Public positions not adopted. Again and again, quiet Dialogue has led to consensus being worked out, to mutual satisfaction. What is important is to set up a system and structure (not be ad hoc) for this to happen.

Business also has a constituency which pushes for publicly expressed critical statements. This has always been a “No-win” game. It actually sets the Government-Business relationship back in time and, then, it takes long to rebuild and renew the Dialogue and Trust.

Government, too, has had ministers and officials who like to take a swipe at Business at public events because these make media headlines. It leads to Business withdrawal from Dialogue, getting into a shell and quietly resenting the criticism of Business.

All of this is immature, unnecessary and unwise. Government and Business need each other to strengthen the National Economy and the Social and Economic Development process in the country. They are two sides of the same coin. Both need each other. To remember this fact of life and stick to Dialogue, irrespective of Media pressures (and the short-term attractiveness of Media headlines) is the real need.

Unfortunately, private, quiet Dialogue is often seen, by those not in the room, as mysterious and sinister, implying that deals are being done quietly and without taking into account all views. To make Dialogue work, it has to include a group of persons from both sides. It cannot be a one-to-one exercise.

This is particularly so, since Business' societal image is generally unfavourable and negative. Barring rare exceptions, Business is perceived as selfish and self-centered; driven by profit and material gains; short-term in targets; adding to inequality by huge disparity in emoluments between CEOs and employees; avoiding taxes; not treating Labour right; not generous in contributing through finance and effort to deal with crucial national challenges such as Education, Healthcare, Skills Development, Sports, etc. As a result, these negative images impact on Government's willingness to engage deeply and fully. Often, Government is necessarily selective in collaborative efforts based on the level of trust.

At the same time, there is growing recognition in Government that it needs this Partnership. It wants this Partnership. It is for Business leadership to earn Trust on a sustained basis through self-regulation and self-discipline, through the right actions, not just words.

This is a huge challenge for Business and its Leadership. To introspect and review its own actions and policies and turn a new leaf.

If Business is able to respond positively to Dr Manmohan singh's 10- point charter, which is not difficult, then a new alignment will emerge-of Business, Government and Society in step, together.

In Society, in the Economy, Business is the most capable Resource, in terms of Education, Knowledge, Leadership, Management Skills, Wealth, Standards of living, etc. Business needs to put the Nation and society first and itself last. This will, then, help to build Trust in Business and the "Colours" of Government-Business relations will take on the happy, cheerful colours of the "Rainbow". Unfortunately, as of now, there is still some distance to cross to reach that stage.

