

Address by Chief Guest, Dr. Manmohan Singh, Honourable Prime Minister of India

I am delighted to be here once again to address the Convocation in the Golden Jubilee year of the Indian Institute of Management Ahmedabad. The occasion brings back many memories of my personal association with the institute. I knew the founder Dr. Vikram Sarabhai and several former directors, including my friend the late Dr. I. G. Patel. Each one of them contributed to making IIM Ahmedabad one of the world's finest management institutes. On this memorable occasion, I feel proud to pay tribute to their memory and the contribution they made to higher education in the country.

IIM Ahmedabad's outstanding reputation has been built, not only by the vision of its founders and the leadership of its directors, but by generations of teachers, staff and students. The alumni are leaders in the corporate sector, in government and the public sector and in the voluntary sector. They have all made India proud.

2011 marks the twentieth anniversary of the launch of economic reforms in India. I had the privilege of addressing the institute's convocation in 1994 in the early days of our reform process. The path was new; the challenges were formidable; the outcomes were uncertain. But our resolve was strong and our goals were clear. Speaking here on that occasion I had said:

"Wisdom today lies in learning both from our past mistakes and from the successes of others, especially our neighbours in East and South-East Asia. Given a strong commitment to the promotion of a value system conducive to the pursuit of excellence as well as concern for social equity, and refashioning and redesigning of our institutions and policy instruments, so as to reward creativity, innovation and enterprise, India has all the ingredients of emerging as a major player on the global economic scene. This is the vision which provides the main inspiration for our economic reforms."

Our economic reforms of 1991 were aimed at unleashing the animal spirits of Indian enterprise and the wellsprings of Indian creativity. Today, the success of the reforms is evident. We have long since left behind the era of modest savings, low investment and low growth. India is today among the world's fastest growing economies. Our savings and investment rates give us confidence that we can, with prudent policies and sound economic management, achieve sustained double-digit growth.

We are now increasingly part of the global economic currents. But we have also demonstrated our resilience to external economic shocks. We were among the best performing economies during the recent economic crisis. Our foreign exchange reserves are substantial. Our industry and services sectors have modernised and diversified in an unprecedented manner. We are emerging as a global center for information technology, research, development and innovation. Our financial institutions and capital markets have become sophisticated and are capable of mobilising and allocating resources for our ambitious investment needs. India has gradually become one of the most preferred global destinations for foreign investors.

Our companies and entrepreneurs have made a successful transition from a sheltered and controlled market to an open environment. Emerging from behind protective walls, they now compete and invest in the global market place. They are bringing new products and services within the reach of the common man through vastly improved product quality and services.

However, I believe that the most profound change has however been in our mindsets. Education and opportunities have created unprecedented social and economic mobility. There is a revolution of expectations and a surge of aspirations in an increasingly young India. It is the energy and the enterprise of a new generation of Indians that is driving our nation's growth and economic transformation.

Rural India no longer sees its problems only as the responsibility of the government. Citizens of rural India are being newly empowered by owning a mobile phone or having access to a high school education. They are seeking lives of greater dignity and well being through the right to information, education and employment. Innovation is no longer the preserve of industry, but increasingly a means of addressing our pressing economic and social challenges.

While we should take pride in our successes, we are also conscious of the many challenges that persist. We still have to deal with the problems of mass poverty, hunger and disease and corruption. We need to bridge the enormous infrastructure deficit, the regional divide, and the digital divide. We must ensure much greater penetration of quality and affordable social services. We have to create food and energy security for our teeming millions. We have to upgrade skills, and boost manufacturing in order to provide employment opportunities for our youth.

It used to be said that the business of business is business itself. But in recent years new ideas have emerged. The late Professor C. K. Prahalad had stressed the importance of the bottom of the pyramid. The famous Harvard professor Michael Porter has recently written about the concept of 'shared value' for companies, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. He suggests that companies should take the lead in bringing business and society back together. This is a new principle in management theory and will require more rigorous study. But when I look at the Indian scene, I think there are a number of areas in which industry can work on its own and in partnership with government to advance societal value in its own enlightened and long term interest.

Going forward, the pace of reform in India will depend on how far our policies meet the test of democratic consensus and take into account the vulnerabilities of different sections of our population. Companies undertaking greenfield projects cannot see their factories and units as oases, cut off from the needs and interests of the community around them. We need to work out more effective mechanisms and principles for the use of land and other resources that reconcile different interests.

At the larger level, our common task is to guide the public debate on important issues, noisy as it sometimes can be, towards a meaningful consensus. But it should not be assumed that the responsibility of forging consensus, whether it is on a unified goods and services tax or other economic legislation devolves on the government alone. Industry must play its part in building public opinion, suggesting alternative policies that reconcile multiple interests and objectives, and canvassing its viewpoint in a credible and transparent manner.

Secondly, we should recognize that our high growth is not sustainable unless it is made more inclusive in a manner that helps to reduce social tensions and disparities. There are many business opportunities in keeping a billion Indians well fed, healthy and educated, if we can provide them productive employment, we would have created one of the world's largest consumer markets.

There is much that industry can do both through increased direct investment in education, health, skill development and rural and urban sanitation and through corporate social responsibility programmes.

Our global competitiveness will depend on our continued ability to produce top quality manpower at all levels of the knowledge pyramid in adequate numbers. The needs are enormous and the government will do its part to facilitate investment in these areas.

Thirdly, industry needs to look more closely at issues like climate change and environmental damage that threaten our way of life. I have often said that sustainable development is for all practical purposes a buzz word. What are the ways in which we can strive to make green growth a profitable proposition? How can we use innovation and science to build clean energy security? These are questions that each company and industry as a whole need to ask. I urge industry to make greater intellectual contributions to these important debates. Industry needs to link much more with academia or even the voluntary sector to study these issues and frame practical approaches and solutions to these problems.

One of the fundamental lessons of management is that organisations must adapt to changes in the environment to succeed. The IIMs have served the needs of our nation well over the past five decades. They must now prepare our youth for the demands of a globalised world, where change is the only constant, ideas spread with the click of a mouse and technological changes are ceaseless. At the same time, these institutions should help develop solutions for the critical development challenges of our time. Their research should create management models that are appropriate for our country and society.

If you ask me, what is India's greatest strength as a home for management education, I would say it is our spirit of "can-do" and our ability to deal with any situation. There is no better training ground for Indian managers than India itself. If you can succeed in India, you can succeed anywhere in the world!

Indian managers face many challenges - the diversity of people, scarcity of resources, multiplicity of demands, plurality of objectives and the complexity of rules and regulations.

It is their ability to deal with these challenges that make them among the world's best managers. Indian CEOs are second to none in the world.

As you go into the world, I hope that your decisions will be shaped and your contributions measured not only by the outstanding education and training that you have received here, but also by the values that define our society and the ideals on which our nation is founded -democracy, debate and openness; the timeless embrace of pluralism and celebration of diversity; the rule of law; the commitment to social and economic equity and justice; and, the high value that we attach to enterprise. I hope nothing will diminish your faith in the importance of integrity in your personal and professional actions.

I am confident that as you go through life, you will not only contribute to our nation's progress, but you will be leaders in shaping a more prosperous, equitable and sustainable world.

Thank you.