

Director's Convocation Address - 1994

Mr. Chairman, the Honourable Dr. Manmohan Singh, members of IIMA Society and Board, my colleagues in faculty and staff, distinguished guests, graduates at this convocation, and students:

It is a signal honour for us that the two chief architects of India's globalisation have been with us at two successive convocations of this Institute. Last year the Prime Minister gave us the convocation address. This year it is Dr. Manmohan Singh, scholar, administrator, statesman, and visionary. Sir, you have been internationally the most acclaimed Finance Minister of India having been given the Finance Minister of the Year awards by Euromoney and Asiamoney. Domestically you have also been perhaps the most controversial of our finance ministers as judged by the pronouncements of the leaders of the Opposition. But I suspect that in their heart of hearts most thinking politicians and bureaucrats in this country realise that the command economy has had its innings. We now have the infrastructure, technological capability, management talent, and the wide entrepreneurial base needed to function in a decontrolled manner and release the full creative potential of our people.

Liberalisation is a mindset. It does not assume that all government controls are bad. But it is a mindset in which every control is questioned for its short term and long term usefulness, and alternatives to government control are considered carefully. Also, liberalisation cannot be restricted only to some aspects of the economic sphere. It has to be extended to many other spheres, including the cobweb that is our educational system and our paralytic judicial system. If you want to free a prisoner, you cannot only unshackle his hands and leave his feet in bonds. The whole man has to be freed. Similarly if liberalisation is to benefit the common man all the limbs of our society will have to be unshackled.

Excessive control is not the only bane of our Government. Poor decisions, incomplete information, sloppy implementation of decisions, insufficient review and course correction are also other weaknesses, not to speak of corruption, nepotism, excess staff etc. We believe that much better management of government is both desirable and possible. Indeed, vast changes have been crafted in recent years in many other similarly plagued governments. In Canada and the U.S., in Britain, Australia, and New Zealand, and in Singapore, fascinating changes have been wrought in the way government functions. These changes have, by and large, made the government more efficient, innovative, and

accountable. It is not enough to have a policy of liberalisation. It has to be implemented effectively. If we want a modern, dynamic society we will have to look carefully at such innovations in government as the executive agency concept, partial or full privatisation, contracting out or franchising of government functions, transfer pricing within the government, MOUs, user panels to monitor the quality of government services, survey feedback, action research, human resource development, and organization development to change the work culture, computer-based management information systems for decision makers in the government, and many other management tools, techniques, and approaches. This Institute has pioneered some interesting work in the more effective management of public systems and the public sector, although a lot more needs to be done. This Institute is willing to put its shoulder to the wheel if there is interest in the Government in improving the quality of its functioning. I might also add that bad governance loses elections while better government wins elections, attracts foreign funds, and stimulates domestic economic activity.

Another challenge for this country and for this Institute is effective international business management. To-day we finally have the opportunity of export-led growth that has fueled the fast growth rates of Japan, China, and the ASEAN countries.

Devaluation of the rupee and fiscal reforms are useful first steps. But they are not a panacea. For marketing consumer goods and capital goods in the affluent societies of the West and Japan, a strong price advantage is not enough. The quality must be right, the design and packaging must be right, our exporters must manage access to channels of distribution, there must be aggressive advertising, and so on. Many Indian consumer goods at the current rupee-dollar exchange rate are much cheaper than their Western counterparts. But they are invisible on the shelves of Western stores. If we want to make them visible there the country's corporations will have to master international business management. Breaking into foreign markets is not cheap. The Government will have to encourage, may be with fiscal incentives, cooperation within each industry to break into lucrative foreign markets with high barriers to entry. With the encouragement of the Government and industry, this Institute can help develop the expertise for effective international business management suited to our context and expertise for effective cooperation within industries for penetrating difficult foreign markets.

It is with great pleasure that I congratulate the eleven FPMs and the 182 PGPs that have graduated today. Each of you will surely seek his or her own mountain and his or her own path to the summit. In this the good wishes and blessings of your gurus are with you. We

will watch with great interest your growth and your emergence as leaders in your chosen fields. You are bright, you are the few chosen carefully to contribute in his or her unique fashion to achieving the aspirations of our society and the missions of this Institute. The contribution of this Institute is not through graduating vast numbers. It is by demonstrating what peaks can be scaled, be they in areas of academic excellence like research and teaching, or be they in the world of managerial practice and entrepreneurship. Each of you who excels will inspire hundreds, perhaps thousands more. As the Gita says,

Whatever lead the best may take
to that must lesser folk conform
Whatever standard he sets up
the people at next hand adopt.

The era of liberalisation and globalisation Dr. Manmohan Singh has ushered in our country has also opened vast opportunities for all of you. Revitalization of industry and renaissance of our country are in the air. Those who can ask tough questions and pursue innovative solutions will surely prosper. But do not underestimate difficulties and opposition. The freedom you have of proposing is also there with others of opposing you. You will therefore have to persist, and you will have to work hard. Nearly a century ago Swami Vivekananda said to our youth that

for revitalising this country we want muscles of iron and nerves of steel, gigantic wills that can surmount any obstacles. His clarion call is as valid today if we wish to build a globalised India that is not, however, another US or Japan, but an India with its inherent strengths and values intact of plurality of perspectives, tolerance and respect for others, inner calm, and emphasis on giving rather than taking. As another great Indian told us, we may live in huts but we must keep our windows open so that we can get all the fresh air of the outside world. And yet we will not let ourselves be swept off our feet by all that outside breeze. Go abroad, visit five star hotels, hobnob with the rich and the powerful. But be proud to be Indians, relish the food of a dhaba, and grasp the opportunity to work for and work with the impoverished and the disadvantaged. May you tread the path not just of success but of greatness. Farewell.