

Convocation address of Shri D.P. Dhar,
Union Minister of Planning at the
Indian Institute of Management,
Ahmedabad on April 21, 1973.

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Prof. Paul, distinguished members of the faculty,
my graduate friends, ladies and gentlemen:

I feel greatly honoured in having been asked to address the annual convocation of your Institute. Some of the older universities in our country find, somewhat painfully, that in these changing times convocations do not have the kind of sanctity with which a venerable academic tradition had invested them. The students are seen to protest; the members of the faculty appear to go through the motions of participating in a solemn ceremony. Everyone is anxious that the thing should be over as quickly as possible. There are other more interesting things to be done like posing for a photographer in academic robes, with diplomas in hand. There is also the inviting prospect of a celebration that may continue into the small hours of morning. In this kind of a mood, the task of those who have to organise convocations is not easy. But what has one to say of those, like myself, who are persuaded, sometimes easily, sometimes not so easily, but persuaded nonetheless to offer themselves as sacrificial lambs ?

But perhaps things are different here. It may be because my young and able friends, who are graduating this afternoon, have through their exposure to the concepts of creative management acquired skills to take boredom in their stride. It may also be due to the fact that Gujarat has a tradition of gentleness and civility which are very favourable for academic institutions. However, there is another explanation which may have already occurred to you. Your Institute is not very old - in fact it is very young. Therefore, it does not have to contend with memories, good, bad and indifferent. It is still in the process of creating its own traditions. This is something challenging. You look more to the future. The past, what little there is of it, is overwhelmed, almost demolished by the future. And so each convocation gives a feeling of movement, and accordingly becomes important.

Convocations, whether orderly or disorderly, are merely convenient stages to mark off the distance one has travelled. What is important is what lies behind and beyond. Sometimes we are in so much of a hurry to get to where we think we are going that we forget to look back and see whether we are travelling on the right road. Of course, one has to guard

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against the danger of not moving at all due to one's preoccupation with the distance one has travelled. It is this creative tension between the past and the future that invests the work that we do in our universities and other academic institutions with a special quality.

It is necessary to ask the question whether the courses and the syllabi we have, relate us in a meaningful way with our past and prepare us adequately to play our part in the shaping of our future. It is one thing to enable a man to master techniques which give him the ability to control and to manipulate his physical, social and psychological environment. This is one part of the scientific and industrial revolutions which presided over the birth of the modern age. In a way this is not the most important part, because man's ability to use tools and to fashion new ones is what makes him unique in the animal kingdom. What really marked the fundamental point of departure for the modern age was the emergence of new view of man in relation to the universe and in relation to his fellowmen.

Our present concern is with this historical process of social and economic modernisation in our country. The scientific

and industrial revolutions first occurred in western society, and brought about fundamental changes in their social and economic structure. We are now attempting to bring about a similar transformation of our society by application of science and technology to the processes of production. But it is not a simple matter of applying in our conditions the techniques that have produced a society of abundance in the countries that started modernising in the 18th century. In our country this process is taking place in an entirely different historical context. The historical context differs not in the sense of India having a traditional society with other-worldly values. This romantic interpretation of Indian history has no relationship with reality. But Kipling is not easily got out of the way, and a good deal of modern mythology about the so called Indian character as being an obstacle to economic development forms the basis of much scholarly output on comparative management. How has the Punjab farmer changed in such a short period of time? Why has tradition not stood in the way of a modern dairying complex in Gujarat?

It may be worthwhile spending some time on thinking about the fundamental bases of our philosophy of development. We as a nation have opted for the path of noncapitalist development within the framework of democratic parliamentary institutions. This was not a sudden choice on the morrow of independence. Panditji, who showed us this path, was aware of the powerful forces for social and economic equality which had shaped the history of the modern world. He was equally aware of the basic inadequacy of the capitalist path of development in combining rapid economic growth with significant progress towards the ideal of social and economic equality. So the classical western road to modernisation was given up not because we did not understand what it was all about, but because we understood only too well the irrelevance of the model in the historical conditions prevailing in the second half of the 20th century. At the same time the national movement had created a high degree of political consciousness among our people. This political consciousness was based on the concept and on the institutions of parliamentary democracy. We were not prepared to throw away this precious legacy of our struggle against the alien rule. Thus in Panditji's vision

of modern India democracy and socialism were fused together in a dynamic process of social and economic transformation. Both the concepts had grown out of our national encounter with the historical reality of technological backwardness and poverty. The choice of our goals and methods was governed by an objective understanding of the social, economic and cultural consequences of colonialism.

In the context of our conditions, then, planning became an indispensable instrument for social and economic transformation. Concept of planning does not mean that we reserve a few strategic industries for the public sector and leave every thing else to the free play of market forces. We have deliberately chosen a pattern of economy in which the private sector is allowed to play an important role in economic development. But this role cannot be understood in terms of the experience of functioning of the private enterprise in the industrially developed nations. We cannot operate a mixed economy if a large and important segment of our social and economic system is out of alignment with the socio-economic objectives of planning. The history of our economic

development since independence shows that the Indian business class has consistently tended to perceive its role with reference to the ideology, motivations and concepts of business in advanced capitalist nations.

One is not surprised, therefore, that a consumption oriented ethic dominates the thinking and action of the Indian middle class. Even before we have laid the material and the technological foundations of abundance, we have cultivated a pattern of needs that has relevance only to a much later phase of development. Contrast the style of life of businessmen, professional managers and other sections of the national elite with that of the pioneers of industrial development in today's advanced nations, and you will discover the reasons for our predicament. And I need not remind you of the wide gulf that separates the consumption standards of the rich from the level of living of vast numbers of our people, both in urban and rural areas. Our people live in many different centuries all at once, from the bullock cart age to that of the most sophisticated space technology. This, in itself, does not

bring out fully the dilemma of a bifurcated society of which some sectors compare with the best that is available throughout the world while others are still in the grip of the pre-industrial age. The social and ethical dilemma is that those who are supposed to lead do not lead. They prefer to retreat from the onerous burden of leadership into the comparative comfort of an amoral life exclusively concerned with conspicuous consumption.

The existing disparities in income are indefensible on any ground. But what really makes the present situation intolerable is the fact that such disparities are the biggest single impediment to growth of the economy, and to a rapid modernisation of our social and economic structure. When we talk of social justice and a better deal for the poor, we often think of what needs to be done in vague, humanitarian terms. Sometimes it is seriously suggested that we can bring about a significant improvement in the level of living of millions of ordinary people by doing a little more in the field of education, health, communications and such other things. These things are no doubt important. Expansion of social services is necessary for making the life of our people better than what it is today, especially in

backward areas and among backward sections of our population. But if we leave the present structure of consumption unchanged, these marginal benefits will not add up to much. What we need to do to remove mass poverty is to modernise the whole system of production. The main resistance to such modernisation comes from the present pattern of consumption of élites. Whereas the traditional sector, whether in agriculture or in industry produces goods and services for the vast majority of the population, a good part of the modernised sector caters only to the needs of the few. Thus it comes about that the so-called custodians of modernity are actually obstructing the growth of modern productive forces because their whole outlook goes against a basic transformation of the productive apparatus of society.

The crisis of the Indian industrial and commercial elite is a crisis of its incapacity to lead the country on the path of modernisation. The crisis had been gathering for some time, but burst into open in 1969. The political events, which liberated mass energy and enthusiasm, were a reflection of the underlying reality of lack of dynamism within a narrow self-satisfied class of economic decision-makers. The Prime Minister broke

through the economic stagnation by nationalising the Banks and thus serving notice on the private managers of national resources that they would not be allowed to ignore national priorities of socio-economic development. The expectations of our people have been aroused. They want the process of growth to gather momentum. They want that the fruits of growth should be distributed equitably. They are prepared to wait for the productive resources of the economy to be vastly augmented. They are prepared to play their part in widening and deepening the capital base of the economy. But they are not prepared to give any more the benefit of doubt to those who have retarded the development of a genuinely national pattern of industrialisation for self-reliance and prosperity for all.

It is against this social and political background that we have formulated our Approach to the fifth plan. All policy decisions regarding acquisition and application of technology, management of production and distribution of goods and services, and development of skills, attitudes and values have to fit in with the broad strategy of redistributive growth. All sections of people have to participate in

this national endeavour. Professional managers, too, have an important role to play in the process of development visualised in the fifth plan. Their role will become more and more important as the economic structure gains in depth and in complexity. This is essential from the point of view of closing what has been called the implementation gap. Moreover, we have in any case to move away from a system which subordinates accountability to procedural perfection. We are gradually moving towards a new system in which people are chosen for decision making and implementation functions not because they belong to a particular cadre, or because they have proved their worth by the simple process of growing old, but because they have the necessary skills and expertise for the job.

The conflict between the generalist and the specialist, which is often blown up out of all proportion, is basically a peripheral issue. We need different kind of skills for making a success of the very big task of social economic development. The question simply is what kind of skills does one need for a given job. I am convinced that the growing complexity of governmental functions and of economic operations generally requires that we induct more and more professional expertise

into government, that we pay attention to the development of the right kind of expertise in right quantities at the right time and that we continuously train people to cope with the problems of change-change in technology, change in organizations and change in social relationships. We cannot afford obsolescence of outlook, of methods and of skills. The strategy of the fifth plan demands that we move forward rapidly in the direction of much greater competence in project formulation, project appraisal and monitoring and evaluation of projects. To entrust these jobs to people whose forte is criminal law and a thorough acquaintance with the codes of out-dated procedures is to deliberately opt for failure. We have a great many people who can write excellent post mortem reports. I am sure they have their uses. But we really need people who will make costly post mortem unnecessary. Such people will come, and are coming, in increasingly large numbers from our technical and professional institutions.

But as I said, this is not a matter for debate. Then what is the debate about? The debate is about more fundamental issues. In simple words it is whether you, as professional managers, realise that you live and function in

a country where capital is scarce and manpower resources are plentiful. It is whether you realise that your techniques of management are oriented to a qualitatively different resource endowment. It is whether you realise that your job is not that of maximising profit of a firm in a fully integrated modern economy, but that your task as a member of the national elite is to help in the making of a modern society. It is whether the ideology of management in India is in tune with the goal of a socialist, egalitarian society. The whole issue of leadership in the contemporary situation in India turns on answers to these basic questions. For instance it is perfectly valid and justified that we should have the most up to date technology for producing steel. We should have the most up to date technology for manufacturing power equipment. But why should we import technology for producing soft drinks? Why should we have foreign collaboration for producing non-essential consumption goods for the affluent minority? Thus the questions of choice of technology, of investment priorities, of R & D efforts, of incentives and of industrial relations are intimately bound up with the social consciousness of the technocrat and the professional manager. It is easy to give examples of misdirected effort and investment which arise from the theory

and practice of management rooted in the social and economic realities of the post-industrial societies of the West. Perhaps a simple illustration should bring into bold relief the inversion of values embedded in the contemporary managerial ethos in India. All around ourselves we see such large-scale expenditure of real national resources in the construction of buildings. The big sleek monsters are growing all over the place, eating up huge quantities of cement and steel, while power projects, irrigation works and other vital industries suffer for want of these materials. Do our professional managers and technocrats think in terms of cutting down drastically the construction costs? I would be pleasantly surprised even if they posed this question to themselves. But the sad part of the story is that they do not. There are so many challenges in our contemporary situation. We cannot respond to them adequately if our perceptions are coloured by theories which look on the industrial - military complex and the multi-national corporation as the very peaks of human endeavour.

There is no such thing as value free management. In the choices you make as professional managers, you reveal all the time your ideological

biases. The question of questions in a democratic society is: How are the managerial elite, the administrative elite and the scientific elite to be persuaded to confront boldly in action the logic of modernisation in a society like ours? The question can no longer be evaded. The corridors of history have many exits. We can choose the one we would take. Let us make sure it is the right one.

I wish the new graduates well and hope that they would use their knowledge to help build a new society. Our society looks to you for a different kind of leadership. May you have the courage and the wisdom to face the social and moral dilemmas of the new age. Thank you.
