

Item 4: Address by the President of the IIPA, Dr. Shankar Dayal Sharma

Hon'ble Home Minister, Shri S.B. Chavan, Prof. M.V. Mathur, Shri T.N. Chaturvedi, Shri G.C.L. Joneja, Director of IIPA, Shri P.K. Umashankar, Members of the Executive Council, Members of the Faculty in IIPA, Members of the General Body, Ladies and Gentlemen!

This is the fourth time that I am present here in your Annual General Body Meeting. This time we are meeting under circumstances where IIPA has got to do a lot of thinking about its work, an indication of which was given by the Director of IIPA, when he talked about the changes in the international and national scene, and the thinking was referred to by Shri S.B. Chavan.

We all know about these changes. But, what are we to learn from them and how can we adjust to the changing circumstances, this comes to one's mind immediately. For instance, I personally feel that it is essential that the Institute should try to understand and study the factors which led to the failure of the centrally planned and monitored economic system of erstwhile USSR and, after that study, find out what can be learnt from their experience. That is very vital. I mention specially their failure of the centrally administered and monitored economic system. What were the causes behind the failure will have to be studied. Should we do away with central planning? Because, as I said, it is a centrally planned and monitored economic system.

The question arises, what was the role of bureaucracy in all this. There was the bureaucratic system in the Soviet Union. But that bureaucracy grew into party bureaucracy and then that danger came. Why did they fail? Was it because too much of power was concentrated with central planning? Was too much of concentration of power responsible for it? Was the state running of the economy responsible for all this? What is the remedy for it how? What are the lessons to be learnt for us? Does it mean that the state planning and state control should be given a go-by and we do away with it all? We must also remember that if we do away with it, What are the lurking dangers. If the economy is thrown totally open, is there or is there not a danger to some of the countries with the totally thrown up competitive economy or capitalist economy? Do you find that other factors do come

up, which again come in the way of growth and competitiveness?

Monopolists and giants in economy which grew up, they also think of growth of other newer ventures. There is some thinking in those places as to what is the way out. Of course, this is something where no ready-made answer can be given. That has to be studied by a body like yours, because we have to think of all these factors.

There has also been mention about the changes in approach in India. We all know that the approach has been for great and big changes. Now we must see how we can meet them. There is talk of the public sector having failed. We must see why has it failed. Did it or did it not fail to a certain extent by bureaucratisation? Again, I am using that term, in the absence of any other term I can think of for the moment. In the public sector itself, first we had the system when we used to put people in the Administrative Service in charge of this. Then it was felt that an Economic Service should be constituted. That was also constituted. Now the country is thinking of giving up public sector undertakings, particularly sick public sector undertakings. A body like this has got to think why they fell sick and, if they have fallen sick, whether the remedy is to do away with the public sector? Is it or is it not a fact, a comparative study has to be made, that the private sector has also had great failure. If we just look back, is it or is it not a fact that a large number of textile mills became sick, as the Home Minister knows very well? Yet, they were not in the national sector. We had worked out a system of taking them over by the Centre and by the States. Did it work? If it did not work, then what is the remedy? How should we go about it? This is very important.

So far as our economy is concerned, we have taken a decision to throw it open to the private sector, for foreign investment, for non-resident Indians. The decisions of the Government are very attractive. I have been meeting NRIs in large numbers. Well, this is a matter for consideration by the public administrators of India. Whenever I discuss with them, they tell me that the decisions are excellent. Because it is not one, it is a continuous process, they also tell me that they are convinced that this policy has come to stay; because sometimes there is a doubt, I have to convince them that there is no possibility of the policy under-

going a change as it has come with a consensus. They agree with it. They also agree that the Government is sincere. Of course, from time to time, Government is making pronouncements to that effect.

With all this, still, some of them have put questions to me. The government policies are good, but what about implementation and what about the time taken for making a decision? Have you worked out something so that the delay is reduced or done away with? They tell me, and there may be some exaggeration in what they say, the time taken in decision-making in other countries is less than one-tenth of what it is in India. Whether it is right or wrong, I do not know, because I am not an industrialist. But this is the comment commonly made. They say "yes, we do want to come". Some of them do come and then go back. Occasionally they meet me and I discuss with them, when they complain about delay in implementation of policies. So, it is natural and it is expected that we do answer some very basic questions, about our economy.

I am not going into the question. You must be studying it yourself. The question is, why is it that our economy has come to this position. How we can reduce these bureaucratic delays? This is a question which the founder of your Institute, Pandit Jawaharlal Nehru, had started thinking about at that time. The Home Minister is here. I would like him and the Institute to work out what are the causes which result in delays. We cannot say that this is part of Indian ethos. Some people say it is because of India's climatic conditions. I say it is only part of India's ethos, because India's ethos have been something different. You are having these days the serial which is going on, which is very popular, Chanakya. I may remind you that Chanakya said :

क्षणम् परितल विक्शेषम्
न कुर्यात् सर्व - चक्षेषु
Kshanam Paritala Vikshepam
Na Kuryat Sarva - Chaksheshu

You should not delay; in every word even a moment's delay,

not even a *Kashana*; *Sarva chaksheshu*, not only *Lastikaksheshu* but *Sarva-chaksheshu*. These are our ethos.

But what happened? I do not mind saying, our people, our industrialists, have told me this. Of course, I used to give my own answer. I used to tell them that they are also responsible. This is also a fact in our work ethos. I am very happy that there was an issue of your Journal on "Administrative Culture of India". I am talking of that very question, how can we improve the administrative culture of India. Can we bring work culture in place of lethargy? People laugh at it these days. I have heard people laughing at the Japanese work culture. It has been said that a certain new word has been coined, whether American or British I do not know, workabolic. It is not a normal word, but I have heard it. Cannot this case study be done? It cannot be brought by lectures. We presume that we will just lecture people and they will change; they would not. Of course, it can be brought by examples. Those examples will have to be produced by those who are at the senior echelons of administration, including the government, the Minister, the leadership. Yes that is correct. Sometime it is being said, it was said in one of the meetings recently, that others do as the leaders do. So, in a way, it was a shielded comment on the Indian leadership, not the leadership today, but the leadership in different stages; because, in these four years,--this is my fourth address--we have seen various changes in government. One can say, yes, governments have come and governments have gone, but the administrators will go on. It is being said about France. But in what way does it go on is important.

There is also a complaint about delay. The necessary concomitant of delay is corruption. Which comes first or which breeds which, I do not know. Lectures and examples will not do. Is it possible for you to take up a study by which the work in different sectors can be completed within the time limit? Decision should be taken within the time limit.

Of course, we complain about the judiciary. There are cases pending for 12 years, 15 years, cases of corruption continuing in court for 15 years and cases of murder also pending in court for more than 10 years. The judiciary has its own way of dealing with cases, but can the country afford it? How can it be worked out? I am very happy that you have taken up the question of

case study, not as a general rule, but taking cases one after another as to what should be done.

For instance, the question comes up, why have we thrown up our economy, we have got to compete; it has been said that we have to compete in the whole world, as our Minister has also said correctly. But what can the modern public administration do to promote international standards of competitiveness in Indian industry and agriculture. How is it that the same thing produced in India today costs more than the same thing produced elsewhere? We have got ready-made answers, but you have to go deeper into this. The cost of trained manpower in India is less. The raw materials are available. We sell them to other countries who take them from us and then in turn they compete with us.

Where are we lacking? Is it only because our technology has become out-dated in certain cases? They talk about steel, as an example. May be, yes; but is that alone? We should go into it, because we are interested to compete.

I personally feel that the introspection of the working of your Institute is also important. With the changes that are now taking place, the whole concept of how the public administration can continue to adjust with the changing circumstances has to be looked into. This is what Panditji always said, but he used the term stop from remaining behind. This is what he said at that time. Now things are changing very fast. So we have got to consider all these things.

Talking about the failure of the USSR, we have also got to see whether it is inevitable for us to rush slowly or we can go head-long. In fact I have also been meeting Soviet experts and Soviet people. So far as their technology is concerned, it is competing. Where did they fail? Was there only one reason or there were other reasons too? We have got to learn from their mistakes. We have a saying in Hindi *Aagava giri-pichla hoshiar*. We have got to see what is good.

For instance we have a democracy there. We have always shown there is a smooth change over from one government to another. For instance, some of the Ambassadors who met me said, "we have seen four Prime Ministers". I added: "yes, you have seen four Prime Ministers, but everywhere with smooth democratic change". So, really speaking, what we do here helps to show how this democracy or an economy under democracy,

can function and compete with both totalitarian and monopolistic economies, how we can work it out.

Of course, the new other thing that they talk about, is "yes, we will invest, but what about internal security". The Home Minister is here; I hope he will excuse me. Some of the investors told me, including those who wanted to put up a sponge iron plant, when I asked them what holds them back, they said it is mainly delay in getting clearances. Naturally, they have learnt, Indians who have gone out have learnt, that time is money. So, we have got these cases for study. Of course, a case study may also be taken up of how the various projects you take up, by the time they are completed there is cost escalation.

But they also added, "what about security". In one case, I could not talk, I could not assure anything, because he had lost his own bus. Then, why terrorism? Is it a question of police alone? Is there something to be done in the police administration, or is there something more in it? What is to be done in that context? I personally feel it is something that has got to be seen. Of course, I give them my own answer. I say, "okay, some of these things are exaggerated, these things happen abroad also, one gem or diamond merchant has been killed in New York". But, in my heart of hearts, I know that what they say is true. Argue one can. It is the base we are concerned with. We must do away with that base. How can it be done? In the police also, what is lacking, what should be done, that should be seen. It is useful that the Home Minister is here. Because, the reports that he gets from the departments or the Secretaries will be of one type. But here you are. You can study academically, from various angles. We have got to see as to what can be done, what other methods can be adopted so that we can have confidence about public tranquillity. There is the problem of Assam. Then, everybody is asking what happened in Delhi itself, how a diplomat disappeared. What can be done in all these matters?

It is not a question of police alone. We have got to see what other methods can be adopted, because there are other sectors involved. We have got to take a wholistic approach.

The working of the educational system, the working of our health system, civil supplies, are supposed to be all very important, so that what we produce reaches every body. In the Soviet Union, one of the things which got them into trouble was this. It is a fact, it appears from a distance.

The disturbances and problems in Kashmir, Punjab, Assam and elsewhere, the Naxalite movement in Maharashtra, Madhya Pradesh and Andhra Pradesh, the separatist movements in States like Bihar, as the Jharkhand movement, why do they arise. It must be dispassionately studied. This is a challenge. The normal studies through books and so on will not do. Here you can do it much better, because you have got people who come from the field; you re-orient them, the idea being that your considered views after seeing what they are, the remedies you suggest will work. All these will have to be seen.

For instance, one of the topics is delay, which was talked about in Panditji's time, the various steps which were taken in India, when files move from one place to another. Some of these things he even wrote in his letters. He wrote in 1954. I am sorry to say that when I came and joined the Ministry here--of course, in my State I tried to do something when I was the Chief Minister myself--when I became a Minister here, I found that what he said in 1954 has not been adopted. It was so even in 1984. I do not know whether it will be adopted even by 1994.

There is the question of audit. Here we have the Ex-Auditor General sitting here. There is pre-audit and after the work audit. Have we taken the question of putting responsibility, which Panditji always talked about? Have we done the fixing of responsibility?

Since I have mentioned Panditji, coming back to the first question, in the present context of India and the world, the question is whether the system that was thought of by Nehru is the answer, because the answer he had sought was what he called mixed economy. Will it or will it not be the ultimate aim? Is it, or is it not, a fact that we will have to be careful to see that the disparities between the 'haves' and 'have-nots' do not grow? I always remember what was said by Prof. Galbraith a Professor of Economics from Harvard University, an American. He said that the glaring disparities in India made one wonder why is it that India does not have a revolution. So, we will have to see a balance in this process. If the disparity grows between individuals, between districts or between states it will create an explosive situation.

So, all these questions have to be seen considered and studied in a closed room atmosphere, academic atmosphere, which IIPA provides, it could be studied well, because you have

got member from all over India. You are in a position to take an all India view of the whole situation. You cannot shirk it because IIPA's idea is not to be in a shell. Now did the need for IIPA come in? The universities are there with very good departments. So many universities are there, with eminent professors, eminent scholars, eminent economists. Then, why was this established? I think the IIPA has got a distinction, because here all experience can come together and then you can come to conclusions.

As a layman, as a person coming in contact with people, I have put out the thoughts which came to my mind.

One thought has struck me. What can we do to bring back the work culture in India, which is very important. Very jocularly, it has been repeatedly stated that the Japanese do not know what to do when there is a holiday. It may be an exaggeration. But, in a country like Japan, how have they achieved all this affluence? Where were they and where are they now? It is through total competitiveness. How South Korea has done it? We can take lessons from them.

Our own Panditji has given us, not only the IIPA but also trained manpower, which is a great asset, the training which our boys have got, the capacity in various fields, technology, medicine and other lines. Everybody, including foreigners, have accepted that they are comparable to anybody in the world. Now we have got the natural resources, we have got the trained human manpower. What is lacking? Some people have said that what is lacking is the managerial skill. How can the managerial skill be brought about. I do not know whether the diagnosis is correct, but one of them said that India has got the raw materials, the trained manpower, everything is there, but the managerial skill is still lacking, or administrative skill or whatever term you want to use.

What can be done? How can the administrative methods, the methods in government administration, the methods in administration of public sector, fixing of responsibility, how can it be actually done; not in general terms, which is the privilege of people like me, which the country cannot afford. You have got to work out the methods and see that when our economy is thrown open to competition, India comes out in the competition, does not lag behind--in fact, I want to say, comes out with flying

colours, or comes out ahead of others. It should be possible. There is the example of Japan. Today the Americans are afraid of Japan, because they find themselves lagging behind in competition with the Japanese, forcing them to put restrictions on Japanese goods in automobile and other fields.

I am glad, in this annual meeting we shall be discussing these things. It is very good that you are working out programmes, because that is again one of the things that is not totally modern; it is an old concept again, from the time of Chanakya. I am referring to Chanakya, because you are going to see him tomorrow. I do not know, I do not get time to see that serial. He has said : *Poorva Nischit Paschat Karyam wa*. First you think well; then you start your *Karyam*. When you start your work, the *Arambha* should be after due deliberations, so that you will be profited by it.

Therefore, when you are planning for next year, I am sure you will do excellent planning and the plan will result in India's moving ahead, because you are going to provide that key element; you should be able to provide the key elements to improve our administration, to provide those factors which will result in our being competitive in the international world, because the country and its leadership are determined to throw the economy open. There may be set-backs, I do not deny; but, ultimately, success will be there.

I am an optimist, I believe in it, but I cannot rest on it. I have every faith that this Indian Institute of Public Administration will, in the course of its deliberations, throw up concrete suggestions--not like the ancient Sanskrit scholars of those days who come out with generalisations, which you should leave for old people like me--indicate what should be done. You have got to work out concrete proposals, because these are challenging times and these challenges have got to be met; and in meeting these challenges, yours should be a viable input. With these words, I thank you again for giving me this opportunity. Thank you.

Shri P.K. Umashankar: Thank you, Sir, for your inspiring address, which will guide our activities.