

ASSOCHAM FELICITATION TO MR. K.P.SINGH, CHAIRMAN, DLF LTD ON BEING CONFERRED PADMA BHUSHAN AWARD AT OBEROI HOTEL, NEW DELHI, APRIL 05, 2010

President Assocham, Dr. Swati Piramal
Excellencies,
Distinguished Guests,
Ladies and Gentlemen.

I am very grateful that such a galaxy of eminent business and political leaders have come together to share my sense of satisfaction that my life's work has been recognized by the Government of India by selecting me for a high national award. Thank you for your kind words. Thank you very much for your heart-warming felicitations Swatiji.

Indeed, I must say in all humility that I consider this award more as an encouragement to all of us in the business community, who have been working tirelessly and in the face of many odds to make India into a country that we can all be proud of. It is more of a tribute to the entrepreneurial spirit that has made India a dynamic leading economy, with the potential of becoming an economic super power in the years ahead.

I was happy when Swati Piramal asked me if I could share my thoughts with all of you on my vision of the future of India, not only because this is a subject close to my heart but also because I consider my friends and colleagues in this eminent business chamber to be part and parcel of the mission of building a new India.

At the very outset, let me share with all of you my Vision of India 2020. Having been deeply involved in real estate and urban development for the past 40 years of my working life, it is but natural that my perception of the shape of things to come should be based on a developer's perspective. If I were to put it very simply, therefore, my Vision is that Every Citizen of India should have a Home to call his own within the next ten years.

Ladies and Gentlemen, a nation of homeowners is a nation of responsible and law-abiding citizens. In my considered view, providing a home to every citizen and every family, will lead to immense benefits for individuals, communities and the society as a whole. It is well documented that stable housing boosts the educational performance of children, induces higher participation in civic and volunteer activity, improves health care outcomes, lowers crime and reduces migration of populations.

In brief, my vision of India becoming a nation of homeowners rests on the logic that having a home means a citizen is in a position to acquire a house because he is gainfully employed and is credit-worthy. This would imply that he is educated and skilled; that he is a responsible and law abiding citizen who cares for his family, his community and his country.

In India, perhaps, the positive ripple effects of homeownership and stable housing have not as yet been fully recognized, but my Vision is based on compelling evidence that I have gathered during my interactions with several business and political leaders and thinkers, and common people during my travels abroad.

The concept itself is not new. Former US President Roosevelt famously said during the Second World War that a nation of homeowners is unconquerable. And in the early 80s, it was Margaret Thatcher's mantra that homeowners become responsible citizens. More recently, President Bill Clinton declared that decent housing was an essential part of the American Dream and his desire was to make the dream of homeownership a reality for all Americans. Similarly, George W. Bush once said that homeownership has the power to transform people. Indeed, even in the earliest days of civilization, the ancient Greek philosopher Aristotle had argued that ownership promotes virtue and responsibility.

In India itself, our Founding Fathers had rightly stressed the vital necessity of providing Roti, Kapda aur Makaan to all citizens. While the goals of providing food and clothing have been accorded high priority in our national policies, unfortunately the pledge to provide homes for all has remained just an empty slogan.

All over the world one of the important indexes for measuring economic growth is the "number of new housing starts". In India, sadly no attempt has yet been made to compile such statistics on housing, whereas data relating to virtually every other sector of the economy is readily available. I strongly feel that the time has come to shed the obsolete thinking in regard to real estate and the urban development sector, and to recognize the multiplier effect

that this sunrise industry has on the economy as a whole and to quantify housing starts and homeownership trends as a key economic indicator. Since the 2011 census has just begun a few days back I will appeal to the government to include this query to enable us to determine as to what percentage of our 1.2 billion population actually own a home.

Ladies and Gentlemen, At this stage, I do not intend to go any further into greater details of how homeownership contributes to inclusive growth and what positive social outcomes it can lead to. I would rather make a humble suggestion to my friends in Assocham to undertake a study on the impact of homeownership and stable housing on social stability, educational achievement, healthcare, civic responsibility, wealth generation, crime and law and order. And, perhaps, map out pragmatic strategies for achieving the vision of providing a home to every citizen. However, my friends, any attempt to visualize the shape of the future, needs to be based on historical perspectives and the ground realities.

I believe that before we attempt to envision how far India can go in the foreseeable future, say in the next ten years, and what Indians can achieve by the year 2020, we need to take stock of what we have achieved so far and more particularly in the last ten years to make an honest appraisal of our successes and failures, and the challenges that we face as a nation.

My mind goes back to just before the turn of the century, to December 1999, when I had the honour to be President of Assocham and we were holding our Annual convention at which Shri Atal Bihari Vajpayee, very early in his tenure as Prime Minister, had kindly consented to be the Chief Guest.

I distinctly remember that convention took place just 12 days before the dawn of the new century. Normally, as you know, in those days such occasions were utilized by Chambers of Commerce to list grievances and seek concessions from the government. But I decided to deviate from this practice and instead reminded him of the commitments of the Founding Fathers of the Indian Constitution at the time of Independence to rid the country of Ignorance, Poverty and Disease. I urged him to ponder whether we had achieved those goals and, if not, where the fault lay and requested him, as a visionary leader, to take bold steps and lead the country forward into the new Millennium. I confess that I put it across to him, rather bluntly, that unless he did so, posterity would never forgive him.

Though taken aback by the tone and tenor of my remarks, the then Prime Minister very graciously put his hand on my shoulder at the conclusion of the convention and said (AND I QUOTE): "Mr. Singh, I greatly value your frank and honest advice. Had captains of industry been so outspoken with my predecessors, perhaps the state of affairs in India would have been altogether different. Imagine where our country would have been!" (UNQUOTE).

Ladies and Gentlemen, more than a decade has elapsed since then. If we look back and take stock of where we are today, we will be forced to admit that whereas India has undoubtedly made great progress on the economic front, with successive governments under the leadership of Atal Bihari Vajpayee and Dr. Manmohan Singh who have both been very focused in pushing through major economic reforms to boost economic growth, enough has not been done to lift vast sections of the population from Homelessness, Poverty, Ignorance and Disease.

I strongly believe that while we have every reason to be proud of the fact that India is about the only country in the world today, apart from China, which can boast of maintaining a growth rate of more than 7 per cent even in the midst of a recent global financial crisis, we would be proclaiming a false dawn if we turn a blind eye to the needs and aspirations of the majority of our people, especially the urban and rural poor who still do not share in the benefits of growth and prosperity and do not have a home to call their own.

The harsh reality is that, while the tremendous entrepreneurial spirit of the business community is fuelling growth and India is also emerging as an intellectual power-house because of the excellence of highly skilled and highly motivated professionals of the knowledge economy, the bulk of the population both in the rural and urban sectors continues to lag behind, in terms of employment opportunities, access to basic human development facilities like Healthcare and Education and decent minimum living standards.

The truth is India is a country on the crossroads of history. We are still a Nation in Transition, caught on the Razor's Edge between two conflicting mindsets, one based on outdated ideas about old, outmoded development models (which are not quite dead yet) and another more forward-looking approach pushing for a new model of growth that is still struggling to be born. There are many who despair that India will squander its opportunity to unleash long-term growth if it does not move forward speedily on the next generation of reforms. The economic reforms programme appears to be progressing only by fits and starts, and the country's advance is punctuated by many ifs and buts, due to our democratic system which requires consensus building in a noisy atmosphere of vested interests and

pressures and pulls. Our solutions to problems have to be within democratic parameters and yet we must find ways of moving forward with greater speed.

I am convinced that India will develop and make notable strides in the next decade. Even if the implementation process of the policies is slow, the gathering entrepreneurial momentum will take the growth rate past double digits. But the bigger challenge is to take the fruits of development down to the masses. The fact that this has not happened so far is reflected in the deteriorating law and order situation in the country, more particularly in the tribal belt stretching across central and eastern India. It is gratifying to note that serious attention is now being paid to tackling the challenge of Naxalism. For such violent extremist movements have huge costs for society as a whole. Naxalism should not be seen as a mere security problem. Instead we should view this as an issue that is actually crying for development, employment opportunities and deliverance of justice at the right time.

We need to look closely at the causes of the sense of deprivation and alienation among the poorer sections of society, especially in backward and remote areas. We must develop practical, credible strategies to reconcile the imperatives of development and the imperatives of national security without further loss of time.

Today, our armed forces are fully capable of defending our country against external aggression. Our nuclear deterrent helps ward off any such threat. Further economic progress will also help strengthen the country's external security.

In my considered view it is our internal security needs that require most urgent attention for peace and more rapid development. Happily, since taking over as Home Minister, the Hon'ble Shri P. Chidambaram has ushered in the requisite new approach and brought about a dynamic change in mindsets. For the first time, serious efforts are being made to revamp our internal security apparatus and bring it on par with the best in the world. This approach is like a breath of fresh air and needs support of the people and at the highest levels of government to ensure that there are no fund constraints in the way of upgrading of our internal security machinery. We have seen that our large cities which are India's major economic centres had been the target of jihadi terrorists. The protection of mega cities have to be on a very high agenda of the government.

Ladies and Gentlemen, several challenges facing the country today, calls for urgent corrective steps to enable it to achieve its potential as a leading world power. If I were to identify just a few of the numerous challenges facing India today, my list would begin :-

First.

With the need to accelerate the rate of growth of the economy to double digits through more rapid, all round reforms while at the same time keeping inflation under control. Faster growth will be inevitably accompanied by rising prices of essential goods and services, but this should not be allowed to hurt the common man. Food prices must be kept in check, and growth should be inclusive growth.

Second.

The agricultural economy needs special attention. After the Green Revolution in the sixties there has been very little progress. The country now needs a Second Green Revolution.

Third.

Another gigantic challenge is infrastructure development. India's poor infrastructure wipes out as much as two percentage points off our annual economic growth. Therefore, to ensure that the economy grows consistently at the rate of at least 10 per cent to lift millions out of poverty, we should substantially increase infrastructure spending. To my mind, even the official estimates of one trillion dollars of investment during the 12th Plan would not be enough; 2-3 trillion dollars worth of investment seems necessary to create world-class highways, ports, airports, power plants and other infrastructure facilities.

Fourth.

Growth in India will invariably involve large-scale migration of people from rural areas, with the urban population likely to grow exponentially over the next 10 years from the already unmanageable 300 millions at present. The existing urban infrastructure is already creaking and crumbling. Nearly one third of our urban citizens are slum-dwellers, lacking even basic hygiene facilities. We must free town planning from the shackles of archaic laws and bureaucratic controls to rapidly develop new urban centres in the country to create a slum free India. The Jawaharlal Nehru Urban

Renewable Mission and Rajiv Awas Yojna are both laudable programmes but without adequate private sector participation.

Fifth.

A conscious strategy to take advantage of the demographic dividend has to be made part of policy planning. As of now, an estimated 550 million of our people are below the age of 30. Young leaders like Rahul Gandhi are striving to ignite the minds of the youth to bring them into the mainstream of national activity. This calls for a massive programme for education and skill development, to empower the citizens of tomorrow to contribute to the productive process and thereby enable India to become a major global manufacturing and exporting hub. For this, the business community too has to share the responsibility of fostering inclusive growth by integrating CSR initiatives and skills development programmes as an integral part of their corporate management policy. Government and the business community must act in concert to ensure that demographic dividend does not become a demographic bulge of unemployed youth.

Sixth.

In my view, as India achieves greater economic progress, pressures would increase on the law and order front. It is also inevitable that India's rise as an economic super power will be resisted by hostile interests abroad, particularly after the Western powers withdraw from Afghanistan, which could be sooner than later. India will be viewed as the No. 1 target of terrorist outfits like the al-Qaida and Taliban, which are likely to re-group and infiltrate across the western borders. Maintaining internal security, as I have mentioned earlier, and combating the growing menace of Naxalism in several States, is therefore another major challenge facing the country in the immediate future.

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Seventh.

Our rise to an Economic Superpower can be hindered by the lack of Energy Security. As is well known we import 75% of our energy needs. While the government is now very effectively tackling the problem of food security and right to elementary education, similarly decisive steps need to be urgently taken by the government towards ensuring energy security.

Taking people out of poverty line into the mainstream is undoubtedly a huge challenge and to my mind cannot be tackled by the government alone. I will urge upon our entire business community and corporate sector to come forward and genuinely contribute towards their Corporate Social Responsibility activities by taking visible actions however small or big they may be. If done voluntarily and with a sense of commitment the end result of this combined effort will be mammoth.

Ladies and Gentlemen, all this is achievable and attainable over the next five to ten years, provided we are willing to tackle the biggest challenge of all – to bring about a change of mindsets.

Far too long, ever since Independence, the approach of our planners and bureaucrats has always been based on Managing Shortages. This huge country demands big thinking to take care of the needs and aspirations of future generations.

It is my belief that only through active encouragement of the Public Private Sector model that the gigantic task of national development be tackled. In that partnership, the role of public sector should be confined only to that of an Enabler, Facilitator and Regulator, leaving the execution of development projects substantially to the private sector.

If this is done genuinely, in letter and spirit, the private sector will be able to mobilize substantial funds on its own for national development. But it has to be accepted that no private sector enterprise can work without making profits. The outdated concept of treating businessmen as robber barons should end. A clear distinction should be made between profits and profiteering. In my view, the only way profiteering can be prevented is by ensuring increased supplies by the market forces.

The big question is how to raise the huge amounts of money that the country urgently requires on almost every front, whether we talk of rural and agricultural development, poverty-alleviation programmes, infrastructure or upgrading our security apparatus.

Our rates of domestic savings, though reasonably high, are by no means adequate. We need to raise colossal funds through sale of public sector enterprises. Token gestures of divesting shares are not good enough. We have to move forward rapidly and aggressively on the path of total disinvestment, wherever economically and realistically possible.

We also need to attract massive inflows of money from abroad by making India the most preferred destination for Foreign Direct Investment. For this to happen, we have to open the doors wide and dismantle the entire structure of unnecessarily obstructive rules and restrictions and allow free flow of foreign investments, except for a few items on a negative list.

At the end of the day such path-breaking reforms have to be based on a national consensus between all major political parties and the onus is on the government of the day to reach out to Opposition parties and obtain their support and cooperation for decisions aimed at furthering the national interest. A recent instance was the passing of the landmark Women Reservation Bill where the Government and the major Opposition parties were able to arrive at a consensus.

Ladies and Gentlemen, it is my firm belief that India, today has the wisdom and the means to overcome all the challenges facing it and can put our economy on fast forward mode. We can bring more sections of the people into the mainstream. We can ensure that every citizen has a home to call his own.

But all this will be achievable only with a different mindset and better governance. The acid test of how many people are rescued from poverty and brought into the mainstream, will be what percentage of the population have become homeowners and this, in my view, should be the new index, the new socio-economic indicator to determine the success of our inclusive growth mission. If we are able to ensure that a substantial part of our population have a house of their own, we would then be able to say proudly that India is on the right track to becoming an economic super power in the world.

Thank you & Jai Hind.

(Dr. K.P.Singh)
Chairman