

Ten Point Social Charter

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In a modern, democratic society, business must realise its wider social responsibility. The time has come for the better-off sections of our society to understand the need to make our growth process more inclusive—to eschew conspicuous consumption, to save more and waste less, to care for those who are less privileged, to be role models of probity, moderation and charity. Indian industry must, therefore, rise to the challenge of making our growth processes both efficient and inclusive. If those who are better off do not act in a more socially responsible manner, our growth process may be at risk, our polity may become anarchic and our society may get further divided.

I invite corporate India to be a partner in making ours a more humane and just society. We need a new Partnership for Inclusive Growth based on what I describe as a Ten Point Social Charter.

First: have healthy respect for your workers and invest in their welfare. Unless workers feel they are cared for at work, we can never evolve a national consensus in favour of much-needed more flexible labour laws aimed at ensuring that our firms remain globally competitive.

Two: corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy which factors the needs of the community and the regions in which a corporate entity functions. This is part of our cultural heritage. Mahatma Gandhi called it trusteeship.

Three: industry must be proactive in offering employment to the less privileged, at all levels of the job ladder. The representation companies give to SC/STs, OBCs, minorities and women in their workforce must increase. I am, therefore, encouraged by CII's Report on Affirmative Action. I commend your example, and hope it shall be widely emulated. You must show sensitivity to those who are physically less-abled, in providing a workplace conducive to their employment. You must employ retired members of our gallant Armed Forces.

Four: resist excessive remuneration to promoters and senior executives and discourage conspicuous consumption. In a country with extreme poverty, industry needs to be moderate in its emolument levels. Rising income and wealth inequalities can lead to social unrest. The electronic media carries the lifestyles of the rich and famous into every village and every slum. Media often highlights the vulgar display of their wealth. Ostentatious expenditure on weddings and other family events, for example, plants resentment in the minds of the have-nots.

Five: invest in people and in their skills. Offer scholarships to promising young people. High rates of growth mean nothing for those who are unable to find employment. We must invest in skill-building and education to make our youth employable. Here too, I appreciate the CII's initiative in upgrading ITIs. This is a very good beginning, as I said, but there is more to be done.

Six: desist from non-competitive behaviour. The operation of cartels by groups of companies to keep prices high must end. It is unacceptable to obstruct the forces of competition from having

freer play. Even profit maximisation should be within the bounds of decency and greed. The private sector should show some self-restraint in this regard.

Seven: invest in environment-friendly technologies. India's growth must be enhanced and, yet, our ecology must be safeguarded for our future generations. Our track record in resource use is good, but must improve further. As a country of a billion plus people, with a scarcity of natural resources on a per capita basis, we cannot afford the wasteful lifestyles of the Western world. Conspicuous consumption must be reduced not just because it is socially undesirable at our level of development, but also because it is environmentally unsustainable.

Eight: promote enterprise and innovation, within your firms and outside. If our industry has to make the leap to the next stage of development, it must be far more innovative and enterprising. The success story of the last two decades has been the emergence of a large number of first-generation enterprises. As industry aims to master increasingly complex technologies and becomes organisationally more complex, it must try to maintain its competitive edge by investing in R&D and innovation and promotion of enterprise.

Nine: fight corruption at all levels. The cancer of corruption is eating into the vitals of our body politic. For every recipient of a bribe there is a benefactor and beneficiary. Corruption need not be the grease that oils the wheels of progress. There are many successful companies today that have refused to yield to this temptation. I commend them, and I urge others to follow.

Ten: promote socially responsible media and finance socially responsible advertising. Through your advertisement budgets and your investments in media, you can encourage socially responsible media to grow and flourish. You can promote socially relevant messages and causes.

This is not an exhaustive list. You may wish to add to it, and adopt your own Social Charter for inclusive growth. The objective would be to encourage a culture of caring, sharing and belonging. We must end forever the debate whether our country's march of progress has benefited India and not Bharat.

India is Bharat.

—This is an excerpt from Prime Minister Manmohan Singh's speech on May 24 at the inaugural session of Confederation of Indian Industry's Annual Summit, 2007