

Corporate governance can be a lab for good political governance: Khurshid

With the economy witnessing a gradual recovery from the after-effects of the global meltdown, the country's corporate sector can try to redefine their responsibility and accountability towards society through voluntary uptake by businesses. Corporate governance can be a laboratory for good political governance in India, said Mr. Salman Khurshid, Minister of State for Corporate Affairs and Minority Affairs (Independent Charge), Government of India, today.

In his address as the chief guest at the 'National Conference on Inclusive & Responsible: The Next Face of India Inc.', organized by the Confederation of Indian Industry (CII)-ITC Centre of Excellence for Sustainable Development, the minister said if the society sets the expectations on the various aspects of corporate governance, the government can just be a catalyst to the whole exercise as it will be much easier for it to implement guidelines on corporate social responsibility (CSR).

However, he pointed out that there is a need to make development sustainable, and this is possible only when CSR is internal to businesses. The government would prefer to opt for a liberal route in an enlightened role involving dialogue and partnerships.

When inspiration and initiatives do not result in improvement, the role of instructions from the government is inevitable. The government does not want to be like moral policeman, and businesses must try to convert CSR from a philosophy to real deliverables.

Earlier, speaking as the Guest of Honour, Mr. R Bandyopadhyay, Secretary, Ministry of Corporate Affairs, Government of India, said if we want to avoid yet another economic meltdown, companies must not only think of consolidating the present but also the future.

"We cannot only live for today. We have to think for our future," he said, adding that the mindset to live only today has been a major hindrance for many big companies to recover from the global meltdown.

Despite the presence of legislation, regulatory bodies and civil society in several developed countries, the global economic meltdown took place, he said, pointing to the need for effective ways to prevent it from happening again. The revised Companies Act in India is in the making, and solutions and ideas were needed to make it a next generation kind of regulation.

The companies should take an inclusive approach to undertake their CSR activities, the secretary added. He also pointed to a recent statement made by Mrs Pratibha Devisingh

Patil, President of India, that corporate India should include the rural and agricultural sectors to ensure benefits of economic growth percolates to all sections of the society, and that Mr Khurshid has given this idea a direction.

In his welcome note, Mr. Y C Deveshwar, Past President, CII, and Chairman, CII-ITC Centre of Excellence for Sustainable Development Advisory Council and Chairman, ITC Ltd, said that inclusive development is the only form of development that is sustainable. On CSR, he called for a collaborative approach from companies and various segments of society. He also called for the need to harness the energy of the business society. Mr Deveshwar also said the companies can think of being innovative in creating a multiplier so that people can live in a sustainable manner.

Quoting a report by UNDP, he said that about two-thirds of the global society earns less than \$2 a day. More importantly, the top 10 percent of the world population have 85 percent of the access to household.

Earlier, in his address, Mr. G N Venkataraman, President, the Institute of Cost and Works Accountants of India, stressed the need to nurture social and natural assets for efficient corporate governance.

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