

VICE PRESIDENT EMPHASIZES THE NEED FOR ETHICAL CORPORATE GOVERNANCE IN INDUSTRY

Relevant for: Ethics | Topic: Corporate governance

Vice President's Secretariat

Vice President emphasizes the need for ethical corporate governance in Industry

Some people took undue advantage of the system; industry has a duty to eschew such elements – Vice President

Calls for prioritizing skilling in new and emergent technologies

Industry and agriculture are two eyes of the nation – VP

Calls upon everyone to come out of the evil influence of violence

World community should come together to combat twin challenges of climate change and terrorism

Calls for incentivization of wealth creation

Says distribution without production will lead to ruin

Releases commemorative Postal Stamp and Coffee Table Book on completion of 100 years of Jamshedpur city

Posted On: 17 FEB 2020 3:30PM by PIB Delhi

The Vice President of India, Shri M. Venkaiah Naidu today emphasizes the need for ethical corporate governance in Indian Industry.

Speaking at the centenary year celebrations of the Jamshedpur city, the Vice President said that some people took undue advantage of the system, and industry has a duty to eschew such elements.

Observing that a company's ethics, values, and social responsibility play an important role in building its reputation, Shri Naidu said that conducting business in an ethical manner builds confidence among customers and investors.

He appreciated the Tata Group for being synonymous with high ethical standards and the pioneering spirit of entrepreneurship.

Shri Naidu also called upon the industry to shed its hesitation to make investments to facilitate economic growth.

Calling industry and agriculture as two eyes of nations, he opined that industry must compliment the efforts of government to achieve desired economic progress.

Describing Public-Private Partnership (PPPs) as one of the best models for development in a developing economy like India, the Vice President said that PPP models would lead to improved efficiency and faster delivery of services.

"In my view, it is the best way forward to develop infrastructure and other projects that give a fillip to economic growth", he said.

Referring to the recent policy interventions of the Reserve Bank of India, Shri Naidu said the measures were aimed at lowering the cost of funds for banks and providing funds to the industry.

He said that loans to the automobile sector, residential housing and micro, small and medium enterprises have been kept outside the purview of the cash reserve ratio, which at present stands at four percent of banks' deposits.

Pointing out that the Reserve Bank of India had projected a GDP growth rate of six percent for the financial year 2020-21 he said that investment outlook in the Indian economy has begun to show signs of improvement and the inflation pressure was likely to ease in the financial year 2020-21.

Calling for incentivization of the wealth creation and increasing the ease of business, Shri Naidu cautioned against freebies. "Distribution without production will lead to ruin", he said.

Stating that automation was expected to play a major role in the coming years and the workers of the future would have to be highly adaptable, the Vice President urged all business enterprises and manufacturing units to train and re-train their employees to face future challenges.

Shri Naidu opined that there was no dearth of talent in India, we only need to identify the talent and nurture it. Maintaining that this was not the responsibility for the governments alone, he called upon the industry to supplement the government's efforts in skilling.

"Bridging the skills gap among the workforce must become an essential component of every organization's activities," he said.

Observing that a large part of our economic activity was dependent on agriculture and sectors allied with it, the Vice President opined that there was an urgent need for collective efforts to make agriculture profitable and sustainable.

While appreciating the government for its efforts to increase farmer's income, Shri Naidu urged

the private sector to contribute by constructing cold storage facilities, providing transport facilities from villages to the nearby market yards as part of their CSR activity.

Stating that ensuring a viable, sustainable livelihood for those living in rural areas should be the priority for all, the Vice President said that it would reduce the forced migration from rural areas.

Describing the climate change and terrorism as twin global challenges, Shri Naidu urged the world community should come together to tackle these challenges.

Insisting on making the development sustainable, the Vice President said that the time has arrived for the private sector to increase its investments in new and renewable energy. "It will not only reduce the cost per unit considerably but would also reduce India's dependence on fossil fuels," he added.

Stating that there was no place for violence in a democracy, the Vice President called upon everyone to come out of the evil influence of violence. Ballot is always better than bullet, he highlighted.

Shri Naidu recalled the contributions and the legendary role of JRD Tata, in setting up India's first steel plant at Jamshedpur and said that he was not only a doyen of the Indian industry, but also was a visionary leader who foresaw a rising India.

Appreciating various sports facilities created in Jamshedpur, the Vice President called for greater focus on sports and fitness. He said Fit India, Swachh Bharat Mission, Yoga should become people's movement.

Shri Naidu complimented all the citizens of Jamshedpur on the completion of 100 years of their city and wished that the city continues to be a role model for sustainable urban development.

On this occasion, the Vice President also visited the Center for Excellence and Tata Steel Archives in Jamshedpur wherein he was briefed upon the journey of hundred years Tata Steel.

After the event at Tata Steel, the Vice President also visited the hundred year old Andhra Bhakta Sri Rama Mandiram, in Jamshedpur city and performed puja and interacted with devotees.

Governor of Jharkhand, Smt. Droupadi Murmu, Jharkhand Minister, Shri Champai Soren, Postmaster General of Jharkhand, Shri Anil Kumar, senior officials of Tata Steel and functionaries Workers' Union were present on the occasion.

Following is the full text of the speech –

"It gives me a great pleasure to be amongst you in Jamshedpur today, which is India's first planned industrial city that was set up on the confluence of the rivers Subarnarekha and Kharkai by the visionary industrialist Jamsetji Nusserwanji Tata in the early years of the 20th Century.

It is befitting that the Government of India is releasing a postage stamp to commemorate the renaming of what was Sakchi to Jamshedpur in the year 1919 by the then Viceroy of India, Lord Chelmsford.

I am delighted to release the stamp formally on the occasion of the celebration of 100 years of this model city.

The seeds of industrialization in India was sown here, when Jamsetji, along with geologist

Charles Page Perin, chose this site to set up India's first steel plant. Since then industrialization in India has come a long way and industry has been a significant contributor to the nation's GDP.

Dear sisters and brothers,

It will be apt to recall the legendary role of JRD Tata, who was not only a doyen of the Indian industry, but also a visionary leader who foresaw a rising India. He guided the destiny of the Tata group for over half a century and led the empire by example. The Tata Group has been synonymous with high ethical standards and the pioneering spirit of entrepreneurship.

The great revolutionary leader, Netaji Subhas Chandra Bose was the President of Jamshedpur Labour Association from 1928 to 1937. He took over as President of the Labour Association at the behest of the Father of the Nation, Mahatma Gandhi and when the company was facing unrest by laborers.

The unrest happened just at the start of the worldwide depression which was also a very difficult time for the company.

Netaji worked towards an immediate settlement that was honorable and the harbinger of a long-term relationship between the labor and the management.

Mahatma Gandhi Ji had visited Jamshedpur in 1925 with the twin objectives of seeing India's first steel city and resolving some labor problems that had arisen at that time.

He had said, "I wish this great Indian firm all the prosperity it deserves and to this great enterprise every success. And, may I hope that the relations between this great house and laborers who work under their care will be of the friendliest character".

Dear sisters and brothers,

As you all are aware, the Government of India is focused on policy interventions that aim to ignite the spirit of entrepreneurship and enterprise in the country and provide a fillip to industrialization and economic growth. The 'Make in India' program is just one such initiative in this regard.

Estimates suggest that the global population is expected to expand to 9.8 billion by 2050 and the industry requirements would be totally different from what we are seeing today. Automation is expected to play a major role in the coming years and the workers of the future would have to be highly adaptable. They would be probably required to do multiple roles instead of doing a single job in a mechanical fashion.

Given such a scenario, the industry, the government, and the civil society should join hands to train the future workforce.

In this technologically-driven era, it is important for all business enterprises and manufacturing units to train and retrain their employees to face future challenges.

We must remember that workforce development is directly linked to economic growth and that is why I urge all industry associations, firms and factories to lay special emphasis on training. Bridging the skills gap among the workforce must become an essential component of every organization's activities.

I am aware of the training and services are undertaken by the TATA group in various states. I compliment them for imparting students with adequate skills and for preparing them to join the workforce of tomorrow.

Over the past few years, as well as in the recent budget, the Government of India has taken several proactive measures to facilitate ease of doing business. They include financial sector restructuring, reduction in corporate taxes, removing alternate tax in the new structure and scrapping the dividend distribution tax on corporate, among others.

I am sure that the new personal tax regime will ensure more money in the hands of the people, and this is expected to revive consumer demand.

Dear sisters and brothers, a large part of our economic activity is dependent on farmers and sectors allied with it. There is a need for collective efforts to double the farmers' income and ensure that agriculture becomes profitable and sustainable.

While the government is doing its bit, the private sector too must chip in areas like constructing cold storage facilities and providing transport facilities from villages to the nearby market yards as part of their CSR activity.

As you are aware, Government spending alone cannot push the economic growth rate to levels that we wish to achieve. The industry which is one of the main drivers of the economy should shed its hesitation to make investments and facilitate economic growth.

The recent policy interventions of the Reserve Bank of India are aimed at lowering the cost of funds for banks and providing funds to the industry. Loans to the automobile sector, residential housing and micro, small and medium enterprises have been kept outside the purview of the cash reserve ratio, which at present stands at four percent of banks' deposits.

The Reserve Bank of India has projected a GDP growth rate of six percent for the financial year 2020-21. It is said that the investment outlook in the Indian economy has begun to show signs of improvement and the inflation pressure is likely to ease in the financial year 2020-21. The three arms of India's growth engine – private investment, private consumption, and exports – are expected to pave the way for the long-term economic growth of the country.

I am also happy to note that an amount of Rs.1.7 lakh crore has been allocated for creation transport and infrastructure in the Union Budget for 2020-21. Besides generating demand in core sectors of the economy, this will go a long way in the creation of jobs, especially in the rural sector.

I feel that Public-Private Partnership (PPPs) is one of the best models for development in a developing economy like India. In my view, it is the best way forward to develop infrastructure and other projects that give a fillip to economic growth. I am sure that PPP models would lead to improved efficiency and faster delivery of services.

My dear sisters and brothers,

It should be remembered that ethical corporate governance is the need of the hour.

A strong foundation in ethical values should be the basis for exemplary corporate governance.

A company's ethics, values, and social responsibility play an important role in building its reputation. Conducting business in an ethical manner builds confidence among customers and

investors.

India with its inherent spiritual strength, rich traditions, and strong value systems-- which form the core of many family-run businesses—can emerge as a role model for other countries in corporate governance.

The practitioners of corporate governance should play a leading role in making India a global leader in their field. Therefore, it is important to adhere to values of honesty, integrity, truthfulness and adopt the best practices. Corporate ethics should not be violated. Here, I would like you to always remember the seven sins mentioned by Mahatma Gandhi—wealth without work, pleasure without conscience, knowledge without character, commerce without morality, science without humanity, religion without sacrifice and politics without principle.

In our quest for industrialization and economic development, we should not overlook the all-important issue of sustainability. The development of a sustainable strategy is increasingly becoming imperative for companies' survival and longevity.

The industry must focus on energy efficiency and resource conservation to meet the needs of future generations. The industry must pay attention to safe and skill-enhancing working conditions, low waste production processes and the use of safe and environmentally-compatible materials.

All this becomes all the more important in the wake of climate change, which has become one of the most pressing global challenges of the 21st century.

Developing countries, with low adaptive capacities and high dependence on climate variables, are highly susceptible to climate-induced calamities. Among other things, we must focus on renewable energy sources to cut down on Carbon-dioxide emissions.

The Indian government has been taking several measures to achieve cleaner air.

In September 2019, the Prime Minister had launched the Coalition for Disaster Resilient Infrastructure (CDRI) with its Secretariat in Delhi. This global partnership is the second such international initiative after the launch of the International Solar Alliance in 2015.

This global partnership will help in addressing several Sustainable Development Goals (SDGs), as also the aims of the Sendai Framework and Paris Climate Agreement. Perhaps it would be apt to recall what the Prime Minister, Shri Narendra Modi had stated while announcing the global Coalition for Disaster Resilient Infrastructure (CDRI), at the UN Climate Action Summit 2019 held in New York City in September 2019.

He had said : *“What is needed today is a comprehensive approach that covers everything including education, values to lifestyle and development philosophies. What we need is a global people’s movement to bring about behavioral change; need, not greed is our guiding principal. So, therefore India is here today to present a practical approach and roadmap...In order to make our infrastructure resilient in the face of disasters, India is launching a Coalition for Disaster Resilient Infrastructure. I invite all member states to join this Coalition.”*

A recent report by a [renewable](#) energy consultancy stated that India’s [solar](#) and wind generation is expected to touch 135 Giga Watts (GW) by the end of 2024, up from the 77 GW in 2019.

To reduce the number of thermal power plants that are old and have high carbon emission levels, the government has proposed that utilities running them would be advised to close them

if they fail to meet new emission norms.

I was informed that the government wants to encourage States that are formulating and implementing plans for ensuring cleaner air in cities above one million.

We all are aware, that the poor and people having low income bear the maximum brunt of the problems caused by the changing climate and global warming.

Keeping this hard fact in mind, we all must explore ways to ensure a development that is both sustainable and resilient to climate change. The time has come for the private sector to increase its investments in new and renewable energy. It will not only reduce the cost per unit considerably but would also reduce India's dependence on fossil fuels.

With rapid industrialization, we have another problem to grapple with, and that is the problem of rapid urbanization.

The scope of employment in cities, coupled with declining profitability from agricultural activity, is leading to migration from rural areas to the cities. Problems like housing, transportation, pollution, water shortage, and waste disposal will get accentuated in years to come. According to the World Bank, urban dwellers in India comprised 34 percent of the nation's population in 2017. This is expected to go up to 40 percent by the year 2030.

To address the issue, the Ministry of Housing & Urban Affairs of the Government of India launched the Smart Cities Mission in June 2015. The objective of the Smart Cities Mission is to promote sustainable and inclusive cities that provide core infrastructure and offer a decent quality of life to all its citizens.

The idea is to provide a clean and sustainable environment and facilitate the application of smart solutions.

We also need to focus on smart villages and enable the rural population to secure employment, education opportunities and healthcare facilities at the local level. We need to provide urban facilities in rural areas to prevent migration and strengthen rural economy.

Ensuring a viable, sustainable livelihood for those living in rural areas should become a priority. India Inc. must think of contributing to rural prosperity by taking up projects that generate economic activities and employment.

h. insurance is an important aspect that workers tend to ignore. A proper insurance mechanism must be made available for them and at the same time, they should be encouraged to make good use of schemes such as Ayushman Bharat.

Before I conclude, I would like to compliment the citizens of Jamshedpur on the completion of 100 years of their city. And, as in the years gone by, I hope this city continues to be a role model for sustainable urban development.

JAI HIND!"

VRRK/MS/RK

(Release ID: 1603413) Visitor Counter : 312

Read this release in: [Hindi](#) , [Marathi](#)

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

CrackIAS.com