

Convocation Address by Mr. Montek Singh Ahluwalia, Hon'ble Deputy Chairman, Planning Commission of India at KIIT University on 6th January 2012

Chancellor of KIIT University, Prof. R. P. Kaushik, Founder, Dr. Achyuta Samantaji, Vice Chancellor, Prof. A. S. Kolaskar, other distinguished persons on the dais, His Excellency Dr. D. Y. Patil, Mr. Ram Jethmalani, Mr. Nerurkar and Ms. Anand. Members of the Academic Council, faculty members, graduating students and guests.

Thank you very much for inviting me to be Chief Guest of the 7th Annual Convocation Ceremony of KIIT University.

I would like to begin, of course, by congratulating the students. This is really a day of the students who worked hard and got their degrees. So, first of all, a warm congratulation to all the graduating students. And I would also add a special word of congratulation to those who have won medals. Most importantly, I want to congratulate the parents. Actually, convocations are remembered much more by the parents than by the students. This must be a day of pride for all the parents present who are seeing their children get degrees.

I also want to congratulate Dr. Achyuta Samantaji for the truly outstanding achievement. I had the pleasure of going through some documents connected with what this University does. He has taken me through the campus. You are honoured by having been chosen as venue for the Science Congress, which is not an easy thing to get done. This morning I went through the KISS, the tribal institute, which is connected with the University. Taken together, it is truly an extraordinary achievement.

Considering that in our present conception of development strategy - our present conception of what is important for the country to move ahead - education right from the primary level upward and quality education are given the highest importance. That is what in the 11th Plan and, I think, in the 12th Plan the Planning Commission has been saying. And that is certainly the focus of the Government.

It is very easy to simply expand education, the real challenge is to produce quality education. And that of course depends upon the huge amount on personal effort. Personal efforts of the teachers, in this particular case of the Founder himself, having conceptualised the whole thing and made this possible. In our present strategy we also recognise that good quality education is not going to come only by an expansion of Government effort. That is of course very important and will still be the largest contribution. But we do see in it a very large role for the expansion of private educational institutions. In fact, in the Planning Commission we take the view that public-private partnership should also be encouraged.

In that sense, **KIIT University provides a beacon of what is possible through purely private effort. Of course it makes sense to find ways in which public effort can support good quality private institutions, certainly at the school level. When I addressed a group of 15,000 students all from tribal areas, it strikes me that what is being achieved here is really quite remarkable.**

This brings me to the subject of my convocation address. Convocation address puts a huge responsibility on the person delivering it, because I realise this is the last piece of mandatory instruction you are going to get before leaving this room fully armed with your degrees. I really don't believe I can be upto adding to the education that you have received, other than offering my good wishes and giving some thoughts on the world that lies ahead.

One thing that strikes me, which is actually relevant for your generation, is how different the world will be in the next 20 years of your life. During the end of this period you will be at the peak of your professional energy. These 20 years is going to be very different from the 20 years that faced my generation after I received my degree at a similar convocation in New Delhi. When I got my degree in 1963, the next 20 years were pretty much years when Indian economy was one of the slowest growing economies of the world. I mean, for many many years after that GDP growth of the economy was only 3.5% and population was growing by more than 2%. So, per capita income for 20 years or so grew by 1.5%.

In your case, **if you look at the recent past and don't get too worried about the short term slowdown that the newspapers tends to highlight, there is a basic underlying energy and growth in the Indian economy that has been unleashed and will not be suppressed. I think there is a very good chance that in the next 20 years of your working life you will see the Indian economy grow somewhere between 8% and 9% per year.** We are, of course, targeting 9% but I don't think the exact number is important.

Population growth is slowing down. Right now population growth is about 1.4% per year. As time passes there is clear evidence that it is slowing down. So my guess would be that for 20 year average it will be around 1%, or maybe a little bit above that. **So with the economy growth at 8% to 9% and population growth only at 1%, per capita income in the next 20 years there is a very good chance that it will grow by 7% or 8% per year.**

So between 1.5 percent for my generation and, let's say, 7.5% for your generation, what is the difference? Actually the difference is in the first case it took about 45 years for per capita income to jump, and in the second case it takes 9 years. Now, remember that the change, structural change, comes when per capita income rise; not when GDP only rise. You can imagine a situation when GDP doubles and population doubles, per capita incomes remains exactly the same.

Now in such a situation, you have two Indias - equally poor, larger, more people, more GDP, same per capita income, not much changes. **But when per capita income doubles, huge change takes place. Tastes change, patterns of consumption change, kinds of product people want change. I think you are going to see structural change taking place at a rate roughly five times faster than my generation did.** Because it took 45 years for per capita to double for my generation and it will take 9 year for per capita income to double for your generation. That is a fivefold faster rate of just economic change.

I think in addition to this very important structural change which follows from the metrics of the economics, it is also true that technology is going to change much faster for your generation than it did in mine. Objectively, technology is changing very rapidly. In my generation, even when technology changed, it did not come to India.

I do hope some of you will become entrepreneurs. One big difference between the opportunities open to graduates today compared to the opportunities that were open to graduates earlier is that the potential for getting into entrepreneurship. Just do something entrepreneurial rather than just look for an employment opportunity.

As you are bidding farewell to your graduating class - you have done a lot of hard work and got valuable degrees - I do hope that some small percentage of you will actually take the time to contribute back to society in some possible ways. More we find that we have created an ecosystem which encourages people to do that, richer and more solid society that we will be building.

Let me thank you for inviting me to deliver the convocation address. It has been a pleasure to be here.

Highlights

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