



Public Affairs Forum of India

National Conference
on
**Public Affairs:
Managing & Engaging
Stakeholders**

18th September 2015
Indian Habitat Centre, New Delhi

Introduction

The Public Affairs Forum of India (www.pafi.in) is the only organized forum in the country representing large & medium-sized transnational Indian & foreign companies in the field of Public Affairs. PAFI's objective is to redefine perceptions of how business entities should engage with various stakeholders from Government & Media to Civil Society and Academics.

The Public Affairs Forum of India (PAFI) organised its second National Conference in New Delhi on 18th September, 2015 that focused on "Managing and Engaging Stakeholders". The objective was to bring thought leaders from various stakeholder groups to deliberate on how public affairs could help integrate industry with all stakeholders. PAFI has been working to bring greater recognition to public affairs function and to sensitize stakeholders on the changing nature of public affairs in India.

The conference had an overwhelming response with over 40 panelists, more than 250 delegates from more than 125 companies, academia, Government, think tanks & civil society. PAFI wishes to thank its 17 sponsors & 13 supporting organizations, chambers & associations for their support & faith in PAFI.

Public Affairs Forum of India's objective is to redefine how corporates should engage with various stakeholders in an open, transparent manner. PAFI seeks to recognize the strategic role of Public Affairs in an ethical manner, provide a platform to share best practices & build a credible network of Public affairs professionals in India.

"Corporate Community Investment", "Stakeholder Engagement", "Risk Management", "Reputation Management" is what Public Affairs function is all about today. Public Affairs is no longer about fixing problems but it is about finding solutions to the issues that have impact on economic growth of our country.

Public Affairs narrative in India needs to fundamentally add new dimensions to reinvent itself to that of debate, dialogue, discussion & decision making in an open transparent & rule based environment which the present Government is moving towards. A number of initiatives taken by the Government especially with regard to improve ease of doing business also helps in creating a conducive business environment.

Companies are also making a fundamental shift - one way communication is being phased out & stakeholders engagements is in. Companies are discovering the advantage of Listening, engaging with anyone who can affect their businesses - Government, Bureaucracy, Media, Civil Society, think tanks, activist, customers & employees.

This is the "Stakeholders Engagement" PAFI talked about and this is how PAFI designed its Second National Conference with seven sessions each focusing on different stakeholders.

The PAFI National Conference 2015 identified several issues, several channels & challenges for sustainable dialogues with stakeholders. Presented here are highlights of the discussions held at this daylong National Conference.

Inaugural

Mr. Jayant Sinha, Minister of State, Ministry of Finance, Government of India

Inaugurated the session and spoke on how stakeholders, especially industry, could work closely with the government for nation building.

True progress, Mr Sinha said, is not possible without nationalism. All government activities are in the national interest and directed towards building India's comprehensive national strength.

He said that industry should also bear this objective in mind when approaching the government over any issue. They should not look at narrow perspectives or parochial interests but consider the broad perspectives and national interests. He said that if industry came up with an open agenda the government would always hear them out.

The National Democratic Alliance (NDA) government is responsive and very open to public and social media. Every ministry is paying great attention to separate the signals from the noise, the Minister said.

The Minister urged industry to bring forward practical solutions, which would be easy for the government to execute. He stressed the role of public affairs professionals in making this possible. He expressed confidence that industry and government could become partners in building India.

Mr. Rajiv Kumar, Senior Fellow, CPR and Founding Director, Pahle India Foundation in his speech recognized, with appreciation, achievements of PAFI. He said that now public affairs is in the domain of social environment. PAFI is making all efforts to facilitate an interaction with the government and civil society among others.

He went on to say that public affairs has come out in the public domain because of greater transparency and the role of media. He opined that it is very important for public affairs professionals to work on changing the public opinion on many issues.

Mr. Ajay Khanna, Founding Member and Chairman of the Conference set the tone for the session while **Mr. Rahul Sharma, Vice President PAFI** delivered the vote of thanks. **Mr. T S Vishwanath, President PAFI** delivered the welcome address.



Session I- Public Affairs- A Global Perspective

Mr. Sanjay Singh, Principal Resident Representative, Tata Sons Limited, moderated the session and set the stage for the discussion by providing some insights based on his experience on global practices.

Mr. Kevin Bell, Global Practice Chair for Public Affairs, Genesis Burson-Marsteller, UK was of the opinion that there is no such thing as global public affairs. There are very successful global brands, successful global organizations and very successful local people “What matters is how local people understand things.” He stated that, what works in US doesn’t necessarily work in Beijing or Sydney, and, therefore, practitioners have to keep changing their strategies.

Mr. Evan Kraus, President and Managing Director of Operations, APCO Worldwide, USA said that in this period of great change in India and the world, three paradoxical trends were changing the way the industry works.

The first is the contrasting forces of globalization and modernization as it pertains to public affairs engagement. He said that as practitioners it is important to balance the globalization and localization of these issues.

Another big trend that affected our business was convergence disciplines on one hand and coming together of terms such as public affairs, corporate communications, corporate advisory and public relations. “These terms are becoming more and more mundane as these disciplines are merging.”



The final trend is the elevation of our practice into the business, according to Mr. Kraus. When dealing with CEOs and boardrooms one often hears the impact of corporate reputation on the environment “where we do business, and about enterprise risk and how our business and public affairs environment affect the enterprise risk.”

Mr. Jan Luykx, Ambassador, Embassy of Royal Kingdom of Belgium said that globalization has not only changed the world but also its geo-politics. He said that, “the work we do have also changed because of the impact of the internet and social media”.

Ambassadors today are required to serve the brand of their countries, something which was not prevalent earlier. They constantly use public diplomacy to promote the interests of their country as now-a-days they are required to be more open to the world and to the people.

Ms. Naheed Mehta, Senior Adviser, International Affairs, Edelman, UK said that with issues becoming increasingly global governments are sharing public affairs and companies are practicing beyond traditional public affairs. Both NGOs and governments today are operating on a global scale. With audiences spread far and wide, companies have to see beyond their borders and globalize their public affairs. Ms. Mehta observed that public affairs leadership is western centric, which means that public affairs initiatives lie in the west. However, they have to meet the needs of the developing countries and the developing countries similarly have to meet the needs of the developed countries.

Mr. Rahul Sharma, Vice President PAFI thanked the panelists for their insights.

Session II- Public Affairs & Bureaucracy

Mr. R Chandrashekhar, President, NASSCOM & Former Secretary, Government of India moderated the session and said that, with the rise of technology, internet has been the major driver of globalization and the complexity of policy making increased considerably. With the advent of technology many things such as how to enforce contracts globally, how one looks at intellectual property rights, cloud computing etc, came to the fore and impacted business. Frequency of consultation between government and industry has increased.

Mr. Arvind Mayaram, Secretary, Ministry of Minority Affairs explained how the government and industry ought to deal with each other. Mr. Mayaram said best policies are the ones, which are interactive in nature. It involves talking to a lot of people, seeking their views and starting on the principle of "I don't know." Once the

government begins to interact in that manner, policymaking becomes more comprehensive and relevant. He also said that a single policy should not have multiple objectives, although its outcome may be multiple. The objective should be clearly enunciated and focused.

Mr. Satish C Mehta, Director-General, Indian Council for Cultural Relations (ICCR) and Additional Secretary, Ministry of External Affairs said that the fundamentals remain the same several years back.

He said, the government does not trust the corporate sector and the corporate sector does not trust the government and believes that the government is "slothful, laid back and often arrogant." The government distrust of the corporate sector goes back several years. It is important to work on what will help build this trust. Once this gap is bridged a lot can be achieved.

Mr. Vijay Chhibber, Secretary, Ministry of Road Transport & Highways said that it was a "cliché that we are into a more collaborative phase." Things didn't appear to have changed over the last four decades, and Mr. Chhibber wondered if this was because of our culture.

Looking back he didn't think there was lack of collaboration between the private sector and the government 30 years ago. It may have differed from Department to Department and Ministry to Ministry.

There has to be dependence on the private sector as data acquisition is a major concern with the government. As an example he mentioned the road sector where there is a collaborative approach and considerable exchange of ideas.

He said that, "even though we modernize, the basic issues remain the same. Just as the focus hasn't changed, the government has to control public perception."

Mr. Anup K Pujari, Secretary, Ministry of Micro, Small and Medium Enterprises was of the view that public affairs practitioners be focused on what they seek from the government. "If you know the problem, tell the problem. If you know the solution, spell out the solution," he urged. He also advised that numbers, rather than elaborate text, be used in presenting proposals and cases. Numbers are easier to understand and are more concrete in nature.

Mr. Raman Sidhu, Founding Member PAFI thanked the panelists for taking the time to share their views with the participants.



Session III- Public Affairs & Media relations

The moderator Ms. Prema Sagar, Vice Chair, Burson-Marsteller, Asia Pacific & Principal/Founder, Genesis Burson-Marsteller and Founding President, PAFI set the tone for the session by putting forward some thoughts for deepening the engagement between public affairs professionals and the media.

Mr. A K Bhattacharya, Editor, Business Standard elaborated on his view on how industry could work closely with media and said that engagement with the media was the best way to ensure that they remain in touch with industry. He said that the relation between the media and public affairs was adversarial which was not desirable.

Mr. Raj Chengappa, Group Editorial Director, India Today said that in recent years there has been a change in the relationship between media and public affairs professionals. Some of these changes are for the better and some for the worse. While a high degree of professionalism has evolved, at the same time too many agencies and too many people want to contact the media. And a large number of them approach the media without doing their homework," he said.

Another prominent trend is that during good times industry is very keen on communicating with the media, but not so in bad times.

Mr. Victor Mallet, South Asia Bureau Chief, Financial Times, was of the view that journalists need to have access to the full information. "Few Indian companies provide that access to information," he said. Instead of giving vanilla stories about which products are being launched, with



access to full information journalism can provide that much needed added value. Mr. Mallet observed that whether it is corporations or ministers, all want to control the outcome of meetings.

Mr. Javed Sayed, Assistant Executive Editor, The Economic Times said how a company engages and manages the media often reflects the business tactics of that organization. It shows whether that company is ethical and transparent. Often perceptions about companies are formed by the way the public affairs professionals engage with the media and the stakeholders. This reflects how the company as a whole functions. "You can at once make out whether the public affairs executive is just parroting something he has just learnt, in that case the journalist can make out in 5 minutes and then it will be difficult to get his attention" he said.

Session IV- Integration of Public Affairs, CSR & Community Investment

Mr. K.C. Ravi, Treasurer PAFI welcomed the panelists.

Mr. Nitin Pai, Co-founder, Takshashika Institution while moderating the session said that Public Affairs is one of the most impactful tools that a corporation has in its arsenal to signal its commitment in the public space it operates in.

Mr. Anshu Gupta, Founder, Goonj said that for Goonj one of the biggest CSR activities is to collect clothes and many corporates are associated with this. He said that as CSR has to be enforced there is a need for regulation. He explained why big corporate houses need to carry out CSR activities on their own. As per rule, every corporation needs big foundation for CSR activities.



Mr. Subir Gokran, Director of Research, Brookings India said three factors are at play in the creation of a successful venture. They are scale, efficiency and trust. Each sector brings with it two out of the three factors. The government brings scale and trust but has no efficiency, private sector brings scale and efficiency and has less trust and civil society has trust and efficiency but no scale.

Mr. Ravi Singh, Secretary General and CEO, WWF India said that, it is very difficult to look for new avenues for spending in CSR activities. Second, there is a long way to go for corporate houses and implementing agencies in order to get the correct capacity in terms of experts to implement their vision. There is no significant contribution in the areas like soil and forest conservation. Money is not the limiting factor. One needs to visualize the effect and the impact of environment change. It is possible to direct the contribution in such a manner that it will yield better result.

Mr. Piyush Tewari, Founder, Save LIFE Foundation shared his experience in Save LIFE Foundation. His Foundation works in the area of road safety and endeavours to ensure that things ranging from licensing, enforcement, engineering to trauma care become part of the system itself.



Session V- Public Affairs – CEO's perspective



Mr. Dilip Chenoy, Managing Director and CEO, NSDC moderated the session and asked the panelists to tell how Public Affairs are managed in their company. What is the size of a Public Affairs team in each company and how the flow of information is managed?

Mr. Siddharth Pahwa, CEO, Meru Cabs said that in Meru, a four-person team looks after public affairs. It takes care of crisis management, government and media. It also works with external agencies. Meru conducts studies each year to discuss the ecosystem, how far it has progressed in achieving it and how much awareness it has created among our stakeholders.



Mr. Raman Ramachandran, Managing Director and CEO, BASF said that in BASF there is one core team or committee who works very closely with the government and industry. This team comprises of 25 to 30 people.

Mr. Sri Rajan, Chairman, Bain and Company India said that in Bain and Company there are three individuals who work on corporate communications, public communications and media relations etc.

Social media has brought about a change in the working culture of companies and policy makers. The way of responding to an issue has also changed. Couple of years back, if an issue occurred it would first appear in the print media, not the social media. But now-a-days social media is catching the attention first. So we have to be proactive rather reactive.

Mr. Kandarp Singh, CEO, Tetra Pak said that in Tetra Pak, the persons responsible for Public Affairs are responsible for dealing with issues whenever they arise. There is no single person who handles Public Affairs, because there are technical people, marketing people and strategic people who handle all these as a team. So in case of crisis, all these people gather and discuss the issue.

Mr. Rajeev Batra, Founding Member and past president PAFI thanked the panelists for sharing their views with the participants.

Session VI- Public Affairs & legislature



Mr. Ajay Khanna, Founding Member PAFI and Chairman of the Conference welcomed the panelists.

Ms. Jyoti Malhotra, Senior Writer, India Today moderated the session and said that, this session would emphasize on the role and relationship between public affairs and the legislation in India. She asked the panelists why parliamentarians or political parties have no direct link or hesitate to be seen with the corporates in India.

Mr. Pavan K Varma, Member of Parliament, JDU didn't agree that parliamentarians hesitated to work closely with the corporate sector in India. He said there is a wrong perception that political parties never work or want to be seen with corporates.

He requested PAFI, public sector and industry to have structured and cohesive interaction with the

parliamentarians. By doing so, all the views would be put together for the benefit of country rather focusing on regional needs.

Mr. Pallam Raju, Former Member of Parliament, Congress said that, Parliamentarians represent their respective constituencies, hence, are always focused on them. However, it is not true that they are not aware of and interested in the outer world, but most of the time their priority is their constituencies. He requested corporate India to provide the broader picture of an issue to the Parliamentary Standing Committees and push the agenda towards the development of India.

Mr. Tarun Vijay, Member of Parliament, BJP said that, corporates and large companies are serving the nation in the same way the political parties and politicians are serving, as they are generating

jobs and adding to the economic development of the nation. Hence, legislators and parliamentarians should be honest and donations to the political party should become trustworthy and transparent. However, there are some internal issues and no political consensus for applying RTI to political parties.

Mr. KTS Tulsi, Member of Parliament said that the corporate sector needs a makeover and also need to communicate more in the language, which will bring the trigger down effect in the growth of India's economy. Corporate in India only concentrates on profits, but CSR is not highlighted, he said.

Mr. T S Vishwanath, President PAFI thanked the panelists and the participants for attending and actively participating in the discussions.

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