



Foundation for Peace, Harmony and Good Governance



presents

National Conference on Integrity

18 January 2011
Taj Palace Hotel, New Delhi



Proceedings

**Corruption thrives as long as people are ignorant and apathetic.
Only when ignorance and apathy are combated
can corruption be effectively controlled.**



The Foundation for Peace, Harmony and Good Governance (FGG) organised a day-long National Conference on Integrity on 18th January 2011 at Taj Palace Hotel, New Delhi. Eminent Speakers and experts participated and deliberated burning topics of the day. The conference was organised as part of Global Steel 2011 initiative and was chaired by Mr D R Kaarathikeyan, Padma Shri Awardee; President, FGG; Former Director, CBI; and Former Director General, National Human Rights Commission. The recommendations from the conference have been forwarded to the Chairman, Law Commission of India, as desired by Hon'ble Justice Shri PV Reddi.

The conference was attended by more than 350 delegates from all over India and from all walks of life ranging from students, social activists, former and current bureaucrats, independent thinkers, industrialists etc. All attendees participated in an open discussion to weed out evils of corruption from society.

The focus of the deliberations were on three themes;

- **Making our laws compliant**
- **Accountability and transparency in governance and**
- **Role of media**

INAUGURAL AND SESSION I

MAKING OUR LAWS COMPLIANT

D R Kaarathikeyan
President, FGG & Former Director, CBI



It is widely accepted that only 10-20% of the total expenditure in social welfare schemes of government actually reaches the targeted beneficiary; rest is gobbled up by intermediaries. The biggest challenges that confront all of us today are - need for transparency, accountability and ethical behaviour. **The RTI Act has removed a major bottleneck in**

Indian democratic and legal framework with free flow of information to citizens on various aspects of functioning of government. India can reasonably be proud about freedom of press – which acted as watchdog and reported misuse of power, and corruption.

The Second Administrative Reforms Commission on Governance and Administration that was headed by Dr Veerappa Moily, the then Law Minister of India had quoted that in the words of Kofi Annan, **good governance is perhaps the single most important factor for eradicating poverty and promoting development. Without good governance no amount of development schemes can improve quality of life for citizens.** Strengthening governance is precondition to



From Left: D C Gupta, Former Finance Secretary, Govt of India; Subhas C Kashyap, Eminent Constitutional Expert; D R Kaarathikeyan, President- FCG & Former Director, CBI; Naveen Jindal, Member of Parliament; Wajahat Habibuallah, Former Chief Information Commissioner; J J Irani, Director, Tata Sons; Arun Kumar Jagatramka, Conference Co-Chairman, Global Steel & CMD, Gujarat NRE Coke Ltd

improve lives of poor. Corruption is all-pervasive eating into the vitals of our system, undermining economic growth, distorting competition, and disproportionately hurting poor and marginalized citizens. Criminalization of politics continues unchecked with money and muscle power playing significant role in elections. **In general there is high degree of volatility in society on account of unfulfilled expectations and poor delivery of public services.**

The non-negotiable role of the state in four broad areas needs to be clearly recognized and reemphasized. The first is in the area of public order, justice and rule of law. Deficiencies on this front have led to decline in trust in the state's capacity to protect life, liberty and property while enforcing citizens' rights. Ensuring access to speedy and efficient justice, protecting rights of citizens, enforcing rule of law, and maintaining public order are all inseparable and they form bedrock of a civilized society and sound liberal democracy. **Deficiencies in this vital area need to be plugged through judicial and police reforms, better citizen participation in governance, transparency and more effective and integrated approach to public order maintenance.**

Pervasive corruption is the most disturbing element of our governance. Happily, recent years witnessed encouraging trends in some sectors; wherever competition, choice, transparency and technology have been introduced, corruption has dramatically declined. **Police, criminal justice system, healthcare delivery, public procurement, contracting, transfers and postings of officials, tax collection and land administration are areas, which are by nature fully or substantially state-controlled. Corruption is either continuing or growing in these sectors as the inexhaustible demand for illegitimate funds in our governance system continues unabated.**

There are two facets to corruption:

- **The institutions that are highly corrupt;**
- **Individuals who are highly corrupt**

There is a need to work on public profiteering and value to be attributed to the services rendered by officers. Interlocking accountability is a process by which evaluation could be done easily and accountability ensured. Building trust and confidence requires an environment where there is a premium on transparency, openness, boldness, fairness and justice. One of the problems is that the present codes of conduct are not direct and to the point. For formulating a code of ethics, it would be useful to keep in mind the advice of Napoleon who said that law should be so succinct that it can be carried in the pocket of the coat and it should be so simple that it can be understood by a peasant.

All procedures, laws and regulations that breed corruption and come in the way of efficient delivery system will have to be eliminated. The perverse system of incentives in public life, which makes corruption a high return low risk activity, need to be addressed. In addition, with changes in economic policy regime, regulatory bodies that guide and monitor functioning of the relevant economic agents should lay down rules of conduct in the interests of consumers and devise such practices that help efficient functioning of the system. At the same time, social monitoring through empowered autonomous and credible structures will have to be established even for the highest of the public offices. Right to information has to be the starting point for some of these changes.

We always find alibi for our lapses by quoting trespass from other democratic institutions, by resorting to a blame game. Realization of its own authority and discharging its sphere of responsibility, developing accountability and responsiveness are the real solutions to the conflicting situations of eroding democratic polity. According to a famous quote: "Rivers do not drink their waters themselves, nor do trees eat their fruit, nor do the clouds eat the grains raised by them. The wealth of the noble is used solely for the benefit of others."

Naveen Jindal
Member of Parliament

Integrity is important in public life, private life as well as in corporate sector. The younger generation, from an early age, should be taught to be honest so that they become ideal citizens of the future. Regarding corruption prevailing in our everyday life, transparency in India today is higher than what it was a few years back. The whole media should not be blamed for a corrupt few. It is not always possible for corporates to work within a corporate structure without indulging in corruption. It is not correct to label all bureaucrats; politicians and businessmen corrupt, in fact a few of them are so and have tainted the entire canvas. He called for unanimous effort to ensure transparency and integrity in Government and corporate structures.

Wajahat Habibullah
Former Chief Information Commissioner

Recent scandals are exposed only due to the effective functioning of the Right to Information Act. There is an urgent need to eliminate poverty by effective use of the RTI Act through proper emancipation of information. The media has been successful in bringing to light the three major scams that have hit the nation recently- the Adarsh Housing Case, 2G Scandal and the CWC menace. **Outdated bureaucratic structures have been unable to care for the ones in need. The existing institutions have not been successful in preventing and controlling corruption. We need to develop**

an effective institution to prevent and arrest corruption.

There is a sense of deprivation by large sections of our community. This deprivation has arisen out of the use that we have put in to our vital national resources – land, water, forests, coastline etc. All these have had a bearing in all scams mentioned and as long as there is this exploitation with the people feeling disempowered from doing something about it, the difficulty that we now face will continue.

Subhas C Kashyap Constitutional Expert

The nation has been recently facing corruption cases of mind-boggling proportions that has tarnished our image in the world. All our great institutions – the legislature, the executive, the judiciary and even the media stands exposed with eroded integrity. The existing laws, some of which belong to the 19th century, have not been able to stem the rot and the Law Commission can only recommend changes in the redundant laws. The existing CrPC, IPC, Prevention of Corruption Act, CVC Act etc have not been able to arrest corruption. The following are the need of the hour:

- A credible Lokpal Bill to be passed. If the Parliament does not function, this can be done in the form of an Ordinance.
- The Right to Information Act should be made a fundamental right. The existing loopholes in the Act need to be plugged.
- In all corruption cases, all property of the corrupt should be confiscated and there should be a new law to regulate the functioning of political parties.
- Anyone going abroad must declare about their accounts abroad; any false statement thereof must lead to confiscation of property.
- Electoral laws should be amended to provide for 50% plus votes to be necessary to get elected, reducing cost of election, public funding in kind etc. should be introduced. All general elections to be held simultaneously as far as possible. Also anyone charged by court for criminal cases to be disqualified from contesting elections till they are cleared. Ones with serious offences to be barred from contesting elections for life and sitting members, if convicted, to be ceased from being members any more till they are cleared.
- Regarding laws to regulate political parties, a new law should be put in place for looking into the matters of their registration, recognition (making 5% of total votes of the nation compulsory for recognizing it as a national party), eligibility regarding contesting elections etc.
- Police to be freed from political misuse, Police Commission report to be implemented, fresh police laws to be enacted.
- Regulatory functions of the Union and the state executive to be restricted by law.
- All state functionaries including government officials, elected persons etc to declare their assets and liabilities

every year for public information.

- Citizens to be guaranteed by law timely settlement of tax returns, issue of ration cards, passports, house plan sanctions etc. to avoid delays and corruption.
- Judicial reforms in the fields of appointment of judges, enquiry against judicial delays and corruption, speedy and affordable justice delivery system, use of ADR mechanisms etc.

JJ Irani Director, Tata Sons

The house of Tata have the Tata Election Trust, which provides donation to political parties based on certain eligibility criteria and is guided by pre-decided rules. The funds are given not to individuals but to the parties and at the time of election whatever is the corpus, it is divided into half and the funds are distributed to the respective parties according to their strength in the parliament which is about to be dissolved.

Courses on business ethics must be introduced in B-schools – in order to create a society full of men and women of character. It is the duty of the parents, the teacher and the environment in general, to ensure that a baby, who is born pure, remains so throughout its life- a legacy to be passed on to the future generations too. The greatest asset of the few corrupt is silence and apathy of majority of honest people - a practice that needs to be done away with at the earliest.

Amar Pratap Singh Director, CBI

There is a need to change the criminal justice system in India. CBI is almost 50% short of its sanctioned strength of investigators. While CBI puts to trial around thousand cases a year, nearly ten thousand remain pending out of which 25% are more than ten years old. **The committee dealing with reforms in the criminal justice system made several far-reaching and innovative recommendations. Most of them are still to be implemented.** Some of the important ones are citizen-friendly registration of crime, use of computers, CCTVs in police stations so that there is real-time monitoring, complaints to be received and registered online and the need to eliminate the requirement of a person to go a police station. Statement and confessions made before a police officer to be signed and video recorded and these should be admissible in court, comprehensive reclassification of offences, to increase the number of offences falling in the category of petty offences, increase number of offences in which no arrest shall be made, reduce number offences in which arrests can be made without warrant, increase number of bailable offences, increasing number of compoundable offences, ensure that petty crimes are taken out of the jurisdiction of the police and the criminal courts so that the police are in a better position to

handle crimes of a serious nature. One of the important amendments made in the CRPC in 2005 was 'plea bargaining' to dispose of the backlog of pending trial cases in respect of offences punishable for a period up to 7 years. If government servants were assured that their pensions would be protected then large number of them facing trial would plead guilty under the plea bargaining scheme.

Most of the laws, both substantive as well as procedural, were enacted a century ago. **Criminality has undergone a sea change both quantitatively and qualitatively over the years. To keep up with the rapidly evolving crime scenario it is important for the criminal justice system to take a step ahead.** Therefore the apparatus designed for investigation has to be equipped with laws and procedures that are not only functional in the present context but also have the flexibility and feasibility to take care of future needs.

DC Gupta

Former Finance Secretary, Government of India

There is no law to confiscate property of the corrupt. Hence, corrupt feels that he can get away with whatever he does and this is true in almost all cases. The Lokpal Bill must be enforced. The effective rate of tax for corporates works out to be only 22% instead of 34%. This is due to the various incentives and concessions meted out to them from time to time. Regarding the bureaucratic setup and the corruption therein, we have a very good institutional arrangement called vigilance machinery. However, if someone gets posted in Vigilance it is generally regarded as a blot on career. Even if it is not a blot on career; it is not liked because vigilance is regarded as a negative function. **We need to develop a**

positive vigilance culture and we need to also have some kind of incentive structure where the right and honest people are posted in the vigilance machinery and not those people who do not want to go there.

The cynicism and lack of values observed in youth of today, a fall out of consumerism in the rapidly changing society is a matter of great concern. We all are aware where the shoe pinches, but do not dare to mend it.

SESSION II

ACCOUNTABILITY & TRANSPARENCY IN GOVERNANCE

Prakash Singh

Former Director General, Border Security Force

Corruption is the single thread that is common to all problems in India viz. Naxalism, Maoist menace, problems in the North East, Jammu & Kashmir. **Corruption has crippled governance thereby creating a feeling of deprivation amongst masses and aggravating participation of the deprived in anti-establishment movements, most recent and prominent among them being the Maoist movement that has threatened internal security of the nation.** It is corruption that saps out the strength of the nation and makes it vulnerable to divisive forces, both internal and external.

J M Garg

Vigilance Commissioner, Central Vigilance Commission

In India corruption is also on rise as the economy grows. In fact, India has slipped from 71st position in 2001 to 85th position currently in Corruption Perception Index. There is a



From Left: Salil Bhandari, President, PHD Chamber of Commerce & Industry; Arvind Kejriwal, RTI & Social Activist; L V Saptharishi, Co-Chairman, Confederation of NGOs in Rural India; J M Garg, Vigilance Commissioner, CVC; J N Chaubey, Former Advisor, World Bank & UNICEF; Prakash Singh, Former Director General, BSF. (Speaking)

correlation between corruption and inflation, if fiscal deficit can be reduced, inflation can be checked. But since there is no fear for being corrupt, a huge amount is up for grabs. Though lot of initiatives has been taken by the CVC, India has slipped down in the CPI (Corruption Perception Index). This basically means that there has been degradation in moral fiber of the society. The youth need to take up the fight against this menace and become responsible citizens of future. With such a young country like India, there is a need to use technology and automation process. **Project Vigeye (Vigilance Eye), a citizen-centric initiative of the CVC has been launched wherein citizens can join hands with the Central Vigilance Commission in fighting corruption in India.**

Arvind Kejriwal
RTI and Social Activist

In spite of several scams that have been duly reported by media, no one gets punished or goes to jail, in fact in most cases FIRs are also not registered. The existing laws have contradiction within themselves. That the three anti corruption agencies available with the central government – the Departmental Vigilance, CVC and the CBI have been a mockery in themselves. In many cases of departmental enquiries, field officers double up as vigilance officers and receive complaint against themselves that they need to enquire! Sometimes they are required to start departmental enquiries against their superiors, which is practically impossible. The CVC, on the other hand, with 30-40 officers at its command has to enquire into corruption of more than 1500 government departments, some as big as the Income Tax, Railways, Customs – a humanly impossible activity. Hence it functions just like a post office- forwarding documents to the respective departments for initiating departmental enquiry. The recommendations of CVC, an advisory body, are hardly accepted by Government and if at all accepted, the severity is reduced. Also, CBI has lost its independent stature and is reduced to be a mere puppet in the hands of the party in power.

A powerful body, similar to ICAC, the anti corruption organization of Hong Kong, needs to be formulated in order to curb corruption in India. It should be independent of any political influence and should have the power to investigate and prosecute. Implementation of Lokpal Bill is of utmost importance. The provisions of the Ordinance, that is proposed to be instituted by the Law Ministry regarding fast tracking of cases against politicians, will dilute the existing provisions recommended in Lokpal Bill and will be highly tilted towards the party in power.

J N Chaubey
Former Advisor, World Bank & UNICEF

We need to develop adequate ex-ante measures to arrest corruption at the earliest stage in all wings of the

government, the Executive, the Judiciary and the Legislature so that it does not reoccur. The Law Ministry can take up the ex-post measures of punishing the guilty. A capacity pooling of different departments led by the Planning Commission may be instituted so that necessary reforms to arrest corruption may be meted out. There should be a systematic accountability of the Law Ministry to present a scheme of reforms that the Ministry wants to undertake during Budget. There are only four principles of institutional reforms that are required for arresting corruption. They are:

- a. Competition:** allowing choices on the supply side as well as the demand side e.g. multiple places for filing FIRs, drug testing by several certified agencies, open auctions, provide grace period for counter bids etc.
- b. Participation:** an institutional variant of competition; allowing both sides to monitor and evaluate the services.
- c. Transparency:** to the client, before the event, recourse after the event.
- d. Accountability:** to the demand side separating the chain of control.

There is also a need for systematic regular upgradation of Institutions so that growth of the nation is not deferred or disturbed. The Planning Commission must play a pivotal role in this regard.

LV Saptharishi
Co-Chairman, Confederation of NGOs in Rural India

There is prevalence of family oriented wealth accumulation by leaders of political parties in India. Widespread concessions have led to dilution of values thereby jeopardizing the concept of integrity in public life. **A system needs to be introduced to reward the honest and courageous so that one and all feel the urge to do away with corruption.** The person at the helm of affairs in any institution must do the needful to maintain the image of it, and not take advantage of it. The foundation of a great nation like India is laid by the teachings of our great forefathers, we need to go back to those values and try to infuse this value system in the minds of the individuals.

Salil Bhandari
President, PHD Chamber of Commerce

Integrity is the wholeness of being to be morally sound and stands for a set of values. All systems, whether natural or manmade, need to have a coordinated mechanism of checks and balances for them to perform and deliver - one without that will spin out of control. Such loose end systems are not sustainable and perform momentarily, eventually to fall apart to destroy and disintegrate what was created originally. The very success of India's institutions over the years have created massive forces that are pulling and pushing at many points and are creating cracks and gaps

among the various linkages that ensure stable governance. **The judiciary, executive and the legislature are all impacted by these colossal forces – even private enterprise and the civil society have been brought into the fold of cracking ethical values.** These forces are exposing minor human frailties to massive pressures and what would have become small departures from the norms have become norms themselves. Individuals need to go on an introspection mode so that they are able to decide on what to choose from a galaxy of options available, many of which are wrong. This would ensure that corruption is nipped in the bud.

SESSION III

ROLE OF MEDIA

B G Verghese **Eminent Journalist and Writer**

Media is a watchdog of the society as it has a predominant role as trustees of information, to portray to the people, what is happening around us. It is the most powerful institution in the nation. **However, we need to draft a regulation for media so that the 'watchdog' does not become a 'lapdog', wherein a cozy relationship is observed and the media is governed by commerce rather than mission.**

Vikram Chandra **CEO, NDTV Convergence**

The job of media is to shine a torch in the corner where corruption is happening. When it comes to the problem of corruption and dealing with it, the role of the media is extremely important. If we take a look at all the major cases

of corruption that have come to light, and adequate action has been taken on them, in most of the cases it is when the media has really got interested in the story and got involved, thereby forcing adequate action.

Media has played a proactive role in exposing 'big ticket' corruption in India. However, collusive or 'big ticket' corruption is different from extortionary corruption and the media has hardly played any role in curbing the second. It is extortionary corruption that is more insidious and affects the poorest of the poor in India. It is only in the first case that the media has been focusing till now, because of the urge to increase TRPs. There has been a dramatic transformation in mediums of information exchange, it is likely that in a few years from now, the media would be able to focus on extortionary corruption too, thereby bringing about a downfall in its rate. This included conversation on the internet in vernacular that is now restricted only to the urban educated few in terms of tweets etc. However the media should be careful about the length it should go - it should never become a jury from a watchdog, as is seen in many cases in television nowadays, which may lead to some innocent guy being stamped a villain.

P S Bawa **Chairman, Transparency International India**

Transparency International has played an important role in reporting corruption figures to the government. Apart from the five steps that the Government has proposed to tackle corruption, Transparency International has proposed a few more that are needed to be added viz., the Lokpal Bill, Lok Ayuktas for all states with adequate power, enacting the



From Left: N Bhaskara Rao, Chairman, Centre for Media Studies; Sanjaya Baru, Editor, The Business Standard; P S Bawa, Chairman, Transparency International India; B G Verghese, Eminent Journalist and Writer; Vikram Chandra, CEO, NDTV Convergence and K T S Tulsi, Senior Advocate, Supreme Court (speaking).

Whistleblower Act, notification of rules under the Benami Transaction Act of 1988 etc. The bureaucracy is also being involved in this regard. The people are being informed about their rights under the RTI Act and Transparency International has also sought for the Citizens Charters from various state instrumentalities. Given the apathy and indifference of the legislature and executive, only media has the power to initiate action. **Media and the civil society are the fourth and fifth pillars of governance nowadays and all these five pillars need to work together to have a corruption free society.**

N Bhaskara Rao
Chairman, Centre for Media Studies

As per empirical data corruption has come down in India from earlier years. This is because of the role of a proactive media, technological advance, privatization & competition and prevalence of a transparency regime. Corruption stories get coverage of more time on air than all other coverage put together and three-fourth of it is devoted to collusive corruption. No significant coverage is given to extortionary corruption that affects the common man.

The mother of all corruption is 'note for vote' wherein all sections of the society both rich and poor are paid for exercising their franchise. There is prevalence of the 'perception trap' where people feel that they are aware of the problem yet fail to look for a solution.

Sanjaya Baru
Editor, The Business Standard

Extortionary corruption is on the decrease but collusive corruption is increasing day by day. In our day to day lives, corruption has decreased in relation to what were prevalent 10-15 years ago in terms of basic services. Corruption is prevalent within the media itself, wherein the owners who double up as editors use a particular medium for their own vested interests thereby reducing quality of professional management of media houses. This puts integrity of media to question as a whole - lower down the rung it is the acceptance of various kinds of privileges by correspondents. **There is also requirement of an editorial interface that is able to edit the information received from the source before it is actually emancipated to the receiver.**

KT S Tulsi
Senior Advocate, Supreme Court

The most fundamental cause of corruption in the judiciary is the unending delay in delivering judgments. The delays have virtually crippled the judicial process and have enlarged judicial discretion to such an extent that people are beginning to lose faith. The criminal justice system seems to have been paralyzed in India. These delays have made

corruption a 'low risk-high profit' business. India is ranked 45th out of 49 countries in terms of honesty of officials by World Economic Survey. We need to deal with corruption in all aspects of life including food, health, judiciary, education, police etc. **There is nothing wrong with the laws but there is a huge problem in its enforcement in terms of delays, which has aggravated the problem of corruption in India.**

VALEDICTORY SESSION

P P Rao
Senior Advocate, Supreme Court

Casteism, corruption and politicization have eroded integrity and efficiency of civil structure. A radical amendment in the system is required so that the corrupt do not engage in plundering public property and turn it into private wealth. A few **recommendations**:

- Adequate amendments in the law so that the suspected civil servants can be removed from their chairs.
- Tightening the provisions governing recruitments in UPSC, PSC and SSC.
- Make ministership and high public offices inaccessible except to the deserving and able persons with impeccable integrity.
- Facilitate appointment of few experts from outside politics / political parties and make them Members of Parliament from outside for handling crucial portfolios.
- Till the above provision is created and effected, make an Ordinance or Notification for appointment of competent expert advisers to Ministers, whose advice would be followed except in cases where the Minister may refer it to the Prime Minister for his approval.
- Strengthen the Election Commission by conferring additional powers including the power to derecognize political parties and cancel their registration
- Constitute search committees to assist the Supreme Court and High Courts in selection of befitting candidates to be judges.
- Introduce shift system in Courts with second shift exclusively dealing with criminal cases against public servants- MPs, MLAs, civil servants, judges etc.
- Build up public opinion against corruption and pressurize law makers to the extent possible with able support from unbiased media.

Harish N Salve
Senior Advocate, Supreme Court

An economic gloom is prevailing over US, UK and the European Union with only Asia being the silver lining. However, for India, even with the advantage of a shining economy, the year 2011 has started with an impending sense of despondency - a paradox under the given

circumstances. India has emerged as a robust economic entity, but is yet to emerge from the quagmire of bad governance and corruption into which it has sunk and seems to be sinking deeper as the days progress. **There are two faces of India- Corporate India that is daring the rest of the world and a 'slum dog' India that reeks of greed, avarice, corruption and criminality.** We have the finest institutions in India with maximum degree of structural abrasions that has crept in. We can boast of a Parliament that has been healthily in place for the last 60 years yet it is dysfunctional in nature. As for instance, democracy failed miserably when three supplementary grants are passed without parliamentary scrutiny only over voice votes, as the parliament was paralyzed by the opposition.

India has become a nation of 'gestures', the fundamental problems are not dealt with, only a few gestural actions are taken to cover up a deeper rot. The fight we need to take up is not only to weed out corruption, but to deal with the egregious corruption as exists today in India. Any nation consists of a group of people who are honest to the core, they will be so under any circumstances; there are a few who are just the opposite i.e incorrigibly dishonest and will remain so whatsoever happens. But the bulk of Indian society consists of intelligent and hardworking people who, given a fair regime, would prefer to live honestly. We have as of today failed to create such a society.

With reference to a law that would require people travelling abroad to disclose their bank details, the problem lies with the people who have sacks of cash tucked under their carpets and not with someone having a bank account. **The nation is happy to live in lie, deceit and dishonesty and we have all chosen to become hypocrites.** We publicly criticize corrupt ministers at public platforms only to fraternize with them at the slightest opportunity. Corruption is so deep rooted in India that a common man has to climb a mountain in the true sense of the term to get a simple formality, like a mutation, or a water connection, while policy changes in corporate benefit are done in a matter of minutes. We need to build a society where a corrupt person would not find a friend. What is required today is to bring about a change in the mindset of the people.

In terms of structural changes, we need transparent regulations as well as transparent regulators. **There should be transparency in appointment in all institutions, howsoever big it may be. There must be change in criminal justice system which has crumbled over the years. Also important is to revise emoluments of government officials so that they are not compelled to be corrupt.** We must have tremendous faith on the current generation, the students, as the future lies on their hands.

Justice PV Reddi
Chairman, Law Commission of India

Corruption has become a stumbling block in attaining the objective of welfare state as envisaged by the Constitution.

Despite existence of a vigilant press and cherished freedom as guaranteed by the Constitution, corruption is rampant in India. Benjamin Disraeli said, "When men are pure, laws are useless; when men are corrupt, laws are broken" and sadly we fall in the second category. Though corruption was prevalent during the ancient days, its degree was much less than what it is now. Mahatma Gandhi said, "There is enough on earth for everybody's need, but not for everybody's greed". Acts born out of greed and selfishness are inhuman and unpardonable as they affect fellow human beings whom the public servants are expected to serve. Martin Luther King, Jr. said, "Our scientific power has outrun our spiritual power. We have guided missiles and misguided men." This statement is of greater relevance in the present day context. Though by and large transformation of economy has contributed to prosperity and growth of the nation, it has promoted materialism and lure to make money by hook or by crook.

Corruption persists as a dreaded disease, it has become all pervasive. The siphoning of money from welfare projects by a privileged few middlemen thereby depriving the down trodden millions is a matter of concern. **It is also a matter of grave concern that corruption prevails in our country even in securing routine services.** Corruption is distorting allocation of scarce public resources. The worst part is that people have become tolerant to corruption and got reconciled to the fact that corruption has become a part of life of the society. Bess Myerson said, "The accomplice to the crime of corruption is frequently our own indifference" This is the main reason for prevalence of corruption in public service. It is more of a social problem emanating from a diseased society.

To tackle corruption not only the Government but also the public, the NGOs including the professional associations and eminent personalities must join hands. There must be fear of law as well as respect of law. **However, stringency of laws or its mere increase /multiplicity will not be enough.** The administrative systems have to be so harnessed as to reduce the scope of corruption. We need to identify corruption prone areas and the breeding sources of corruption. Preventive action is more important than punitive action. Moreover we need to think of solutions that are practical and practicable. The provisions of the Statute Law must be more functional. **The snail pace of prosecution of corruption cases is a concern and there is much to be desired in the manner of conducting prosecutions.** The trials also get delayed in spite of special courts being set up. The bottle-necks regarding delays in filing charge sheets and

case disposals have to be removed. The political will to check the menace of corruption coupled with the activism on the part of the public are the two key factors that could bring corruption under control. **Strengthening anti corruption machinery along with adequate review and mobilizing the resources are the need of the hour.**

The Anti-corruption Bureau must be given equal importance as that of the police. The ACBs must have functional independence and should be devoid of political influence. The ACBs may be brought under control of an independent body consisting of high ranking officials, serving or retired, known for their integrity and also retired judges of impeccable repute. The ACBs need to be decentralized and located in every region/state with efficient trained personnel manning them. The CBI is over-burdened with work and shortage of man power and there is a need to open an exclusive anti-corruption strategy wing in the CBI. At the central level, the government should give more importance to the CVC. CVC should also have its regional units and should be equipped with personnel specialized in intelligence and investigation related to corruption. CVC must have the arrangement of appointing its officials rather than surviving on ad hoc appointments or appointments on deputation. There is also a need to do an impact assessment of the CVC. There is a need to create village and taluk level committees selected by a cross section of public to fight corruption. **A colloquium needs to be established with likeminded people who are ready to fight this menace out of the society.** There is a need to introduce a course on corruption as a subject of study in the secondary level like environment, so that the young generation is made aware of the evils of

corruption at an early age. Another important aspect is to control discretion to the extent possible. Political corruption needs to be controlled.

The Law Commission has submitted reports seeking reforms to the existing laws from time to time on corruption issues. The Commission took reference to the Central Vigilance Commission Bill and also two consequential amending Bills concerning Delhi Special Police Establishment Act and Foreign Exchange Regulation Act and has suggested that the CVC should be a multi-member body. As regards improvement in infrastructure and methods of investigation, the Law Commission referred to the organizational set up for investigation of offences by SFO (Serious Fraud Office) as existent in the United Kingdom. In sensitive issues regarding investigation of fiscal fraud, the need to have a multi disciplinary investigative team was stressed in Law Commission's report. The Commission suggested providing CBI and Enforcement Directorate a separate trained police force. The Commission emphasized the need for taking measures to complete trials involving high level public men with utmost expedition. In the 166th Report the Law Commission had drafted a Bill entitled 'The Corrupt Public Servants Forfeiture of Property Bill' and has recommended its implementation. This is because the Commission took the view that the provisions in the existing laws that are prevalent are inadequate since forfeiture follows conviction only. Another important recommendation made by the Law Commission in its 179th Report was in respect of 'Whistle Blower Law'. A draft Bill entitled 'The Public Interest Disclosure and Protection of Informers Bill 2002' was prepared which was meant for



From Left: Harish N Salve, Senior Advocate, Supreme Court; D R Kaarthikeyan, President FCG & Former Director, CBI; Justice P V Reddi, Chairman, Law Commission of India; P P Rao, Senior Advocate, Supreme Court and Arun Kumar Jagatramka, Conference Co-Chairman, Global Steel & CMD, Gujarat NRE Coke Ltd

people to encourage disclosure of corrupt practices and frauds and protection from any type of victimization. Further it has been recommended that Section 5 of the 'Benami Transactions Prohibition Act 1988' which allows for acquisition of property held under fictitious names need to be implemented. Recommendations regarding CVC have been partially acted upon and some of the other recommendations seem to be under the active consideration of the government.

D R Kaarthikeyan

President, FGG & Former Director, CBI

- We are all products of our system, and unfortunately many feel compelled to indulge in corruption, how much ever hard we try to be honest.
- Integrity is not restricted to public life alone. It needs to be upheld in private business enterprises as well, and more importantly in our personal life. Only when we have personal integrity, it can get reflection in our professional spheres. Just as charity begins at home, integrity too needs to begin at home.
- Our existing laws have not been able to stem corruption and encourage integrity. And, the Law Commissions can only recommend and eventually it is the responsibility of the government to take it forward.
- There is a crying need to bolster capacity of the investigative agencies and free them from political control. This requires an urgent reforming and updating of outdated laws to facilitate better policing. The agencies also require adequate augmentation of human resources, particularly skilled investigators in middle and lower ranks to help address the huge backlog of cases.
- There is severity of laws but there is no certainty of punishment. This only encourages corruption. Also, there is a need to address the people who have the capacity to corrupt. There is also an urgent need to develop a positive vigilance culture. The corrupt should not feel that they can get away with anything.
- To weed out corruption, two elements are important – accountability and increased transparency. The biggest enemy for the state is not external threat, rather corruption which is internal and corrosive. Technology is one way to address corruption – as it aims to increase transparency and stall ad hoc and arbitrary bureaucratic behaviour.
- There is also a need to make the vigilance oversight bodies independent. At this moment, vigilance bodies like CVOs are located within the organisational structure of each of the government agency. This hampers a transparent investigation of allegations raised against the officials in the agency. There is therefore an urgent need for an independent, but single body to oversee corruption
- India requires a stable government which is held together with adequate checks and balances. Just as an organisation cannot sustain if it is not looped together, the nation cannot

progress if it is not looped together with instruments that stem corrupt practices and encourages integrity, accountability and transparency.

- There is a huge gap between actual levels of corruption and people's perception of corruption. This gap has been created and came about due to the role media has played in highlighting corrupt practices. As the number of media houses has increased, people's perception on corruption has increased correspondingly.
- The biggest challenge that the media is facing is the corruption from within. This hardly gets focused since no one is aware of it, no measure has come about to address it. Professional management of media has come down. Combination of business and political interests dominate corruption in media. Most in the media houses have learnt to live with the privileges and assume that they are entitled to it.
- India has the institutional framework. The problem is how to make use of this framework
- Some of the laws of India are old and archaic – urgent need to make them contemporary and updated, and to delete some of them.

Arun Kumar Jagatramka

Conference Co-Chairman, Global Steel & CMD, Gujarat NRE Coke Ltd



The clarion call for the second struggle for Independence – from deceit and corruption, from mistrust and unethical practice has been sounded during the conference.

Like the potential of an atom that defines the nuclear power all must involve themselves in an intense debate as to how to salvage the nation from this

malice and take up any role in the fight against corruption. People often ask what could be a potential show stopper for India and the most obvious answer is corruption. India could face a Malthusian nightmare instead of reaping its demographic dividend. **Deep rooted corruption and total apathy of common men in the system prevents an inclusive growth and is creating a bigger divide between the haves and the have nots.**

The last 60 years of corruption in India has made, as if, all of us are corrupt and we should come out of this quagmire. **It's high time that we stop grave-digging and start a new chapter by empowering Indian citizen to hold his head high in pride and trust and be trusted by the enforcement agencies which is at the core of our subjugated civil society.**

MAJOR RECOMMENDATIONS

- Institute a credible Lok Pal institution
- RTI should be made a fundamental right
- Remove political control over investigative agencies and the police
- The largest majority are honest and silent. They should unite and ensure they do not remain silent
- Amend the CrPC and make registration of crime more user friendly and easy
- Ensure institutions and existing laws that deal with corruption do not contradict and the corrupt not be asked to investigate his or her own department and give a verdict
- Media should play a major role as the watchdog by exposing corruption but neither as a jury nor as a lap dog
- The Press Council should be given more teeth to provide functional oversight
- Introduction of shift system in courts
- Speedy disposal of cases by the courts and other authorities so that the delay and secrecy does not allow corruption to breed
- Promulgate a law to regulate functioning of political parties and giving powers to the Election Commission to derecognize / deregister political parties
- Reclassify crimes so that minor offences could be addressed through plea bargaining
- Execute wholesale electoral reforms
- Judicial reforms to be brought about that would enable independent appointment of judges and facilitate quick dispensation of the huge backlog of cases.
- Introduction of course on ' Integrity & Ethics' at the primary level and also in B-schools
- Identify extortionary corruption and deal it separate to collusive corruption

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