

# ETHICS & ANTI-CORRUPTION STRATEGIES

GROUP 3

AARATHI L R, A18 | IES

ABHIJEET BANSODE, A15 | IPOS

ASHUTOSH SINGH, A16 | IPS

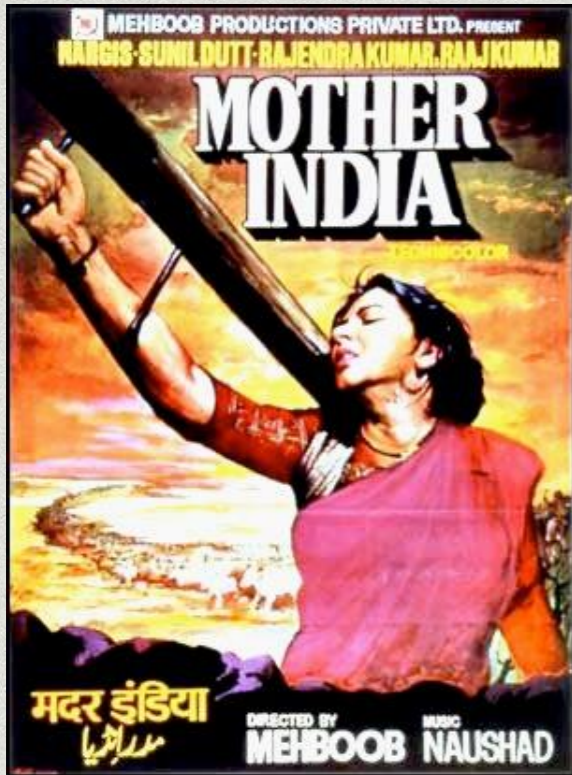
PANKAJ KUMAWAT, B62 | IPS

ROHIT NAAGAR, A14 | ISS

SAUMYA SAKSHI, A11 | ISS

SUMAN W M SIVACHAR, B38 | IFS

VASUNDHARA GULHANE, A18 | IPOS

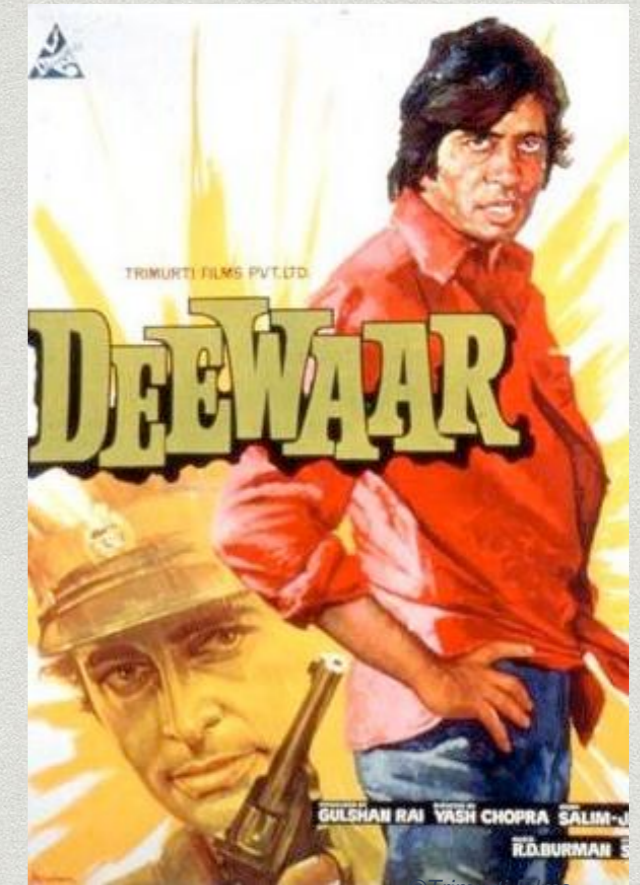


1957 MOTHER THREW HER SON OUT

# Trends



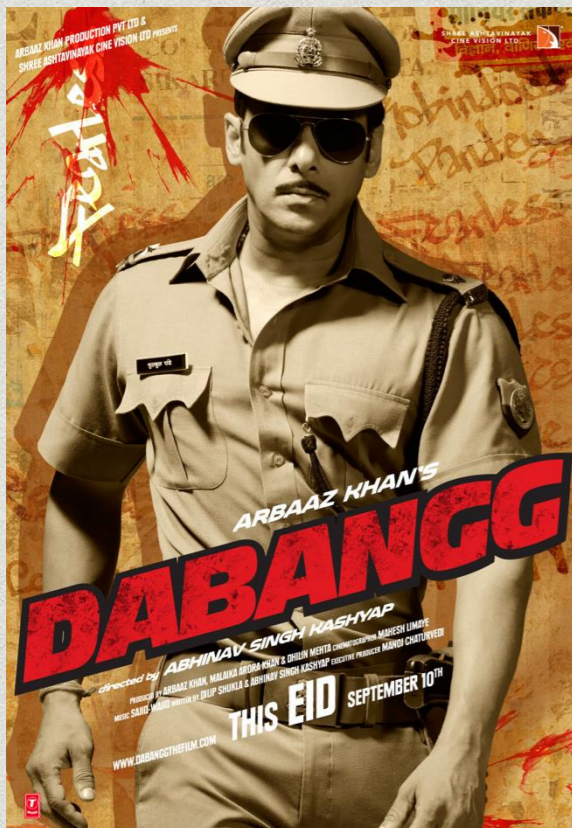
1975 THE MOTHER REFUSED TO LIVE IN HIS HOUSE



©Trimurti Films



2010 THE MOTHER HAD BECOME THE GUARDIAN OF ILL-GOTTEN GAINS



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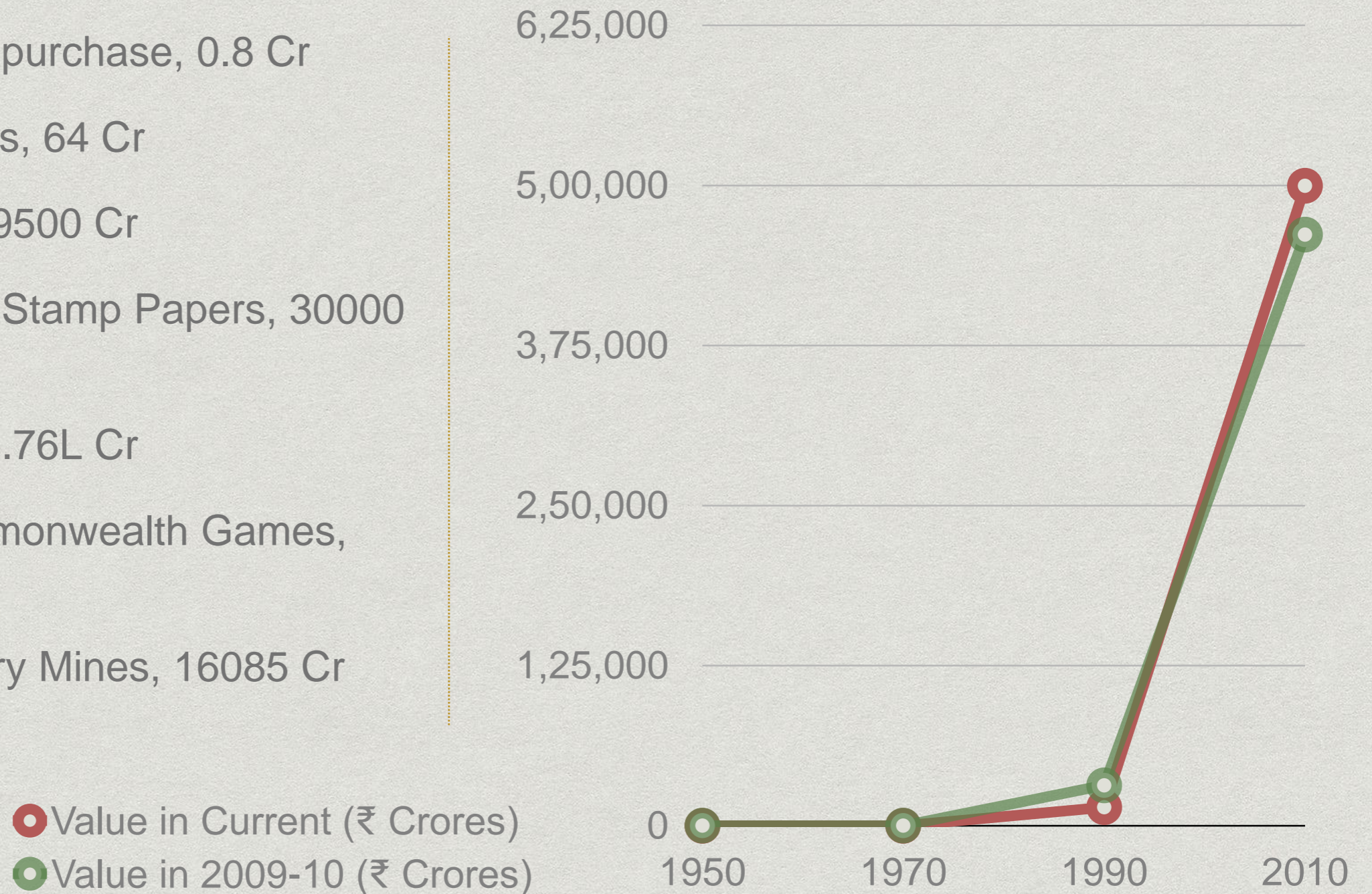


*No, sir, this is neither a flood-hit nor a drought-hit area. We are only hit by bad government!*

# Major Scams of India

- \* 1948 - Jeep purchase, 0.8 Cr
- \* 1989 - Bofors, 64 Cr
- \* 2001 - UTI, 9500 Cr
- \* 2006 - Telgi Stamp Papers, 30000 Cr
- \* 2010 - 2G, 1.76L Cr
- \* 2010 - Commonwealth Games, 36000 Cr
- \* 2011 - Bellary Mines, 16085 Cr

Growth of Scams



# UNDP Primer on Corruption & Development, 2008



Empowered lives.  
Resilient nations.

- \* Bribery - *kickbacks, hush money, protection money, kickbacks, sweeter...*
- \* Fraud
- \* Money Laundering
- \* Extortion - *blackmail, extraction*
- \* Kickback
- \* Peddling influence
- \* Cronyism/clientelism
- \* Nepotism
- \* Embezzlement

# INTERNATIONAL SCENE

CORRUPTION  
HANDLING AT THE  
GLOBAL LEVEL



# Black Money

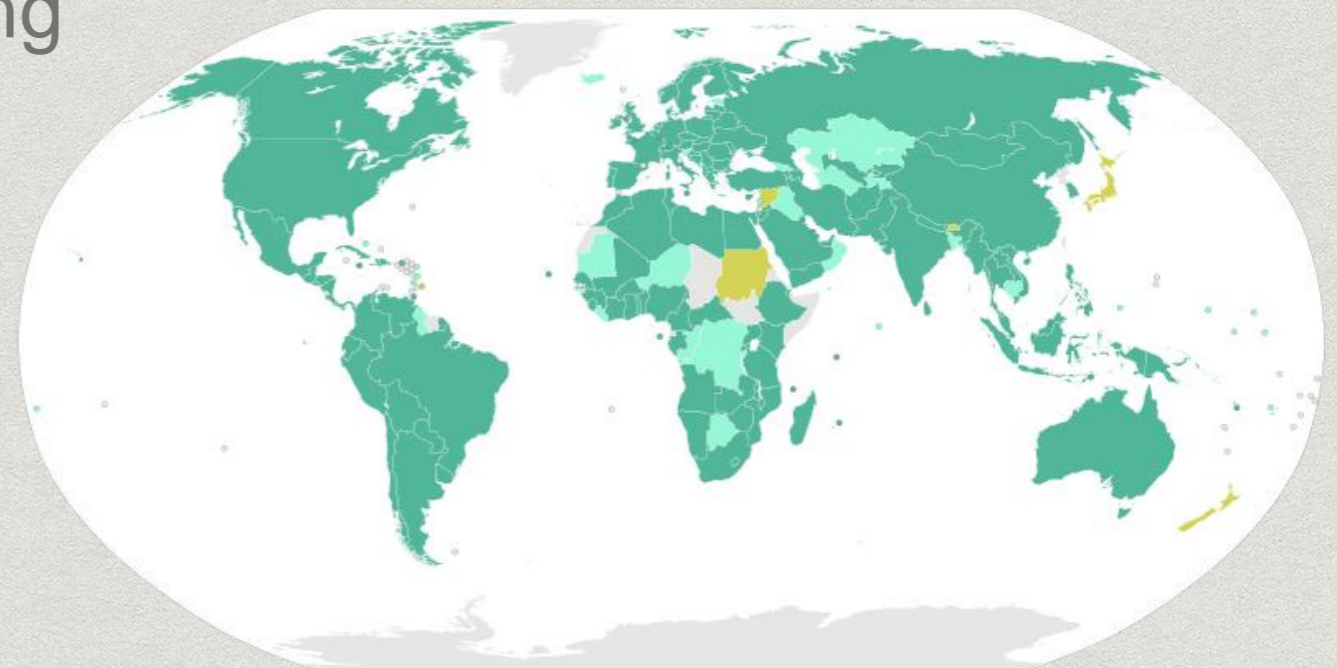


Money earned on black market on which income and other taxes have not been paid

- \* Round-tripping
- \* FDI
- \* Gold imports
- \* Swiss banks

# UNCAC (Convention Against Corruption)

- \* Ad hoc committee
- \* First globally binding anti-corruption instrument
- \* Aims at preventing corruption, including domestic and foreign bribery, embezzlement, trading in influence and money laundering
- \* As of September 2015, there are 177 parties who have signed





# Double Tax Avoidance Agreement (DTAA)



- \* 88 signed out of which 85 come into force
- \* Section 90 & 91 of Income Tax of India Act 1961
- \* India – Mauritius
  - \* Round-tripping of funds
  - \* Joint Working Group (JWG)
  - \* Investments to India is USD 87.55 billion since April, 2000

# Singapore Experience

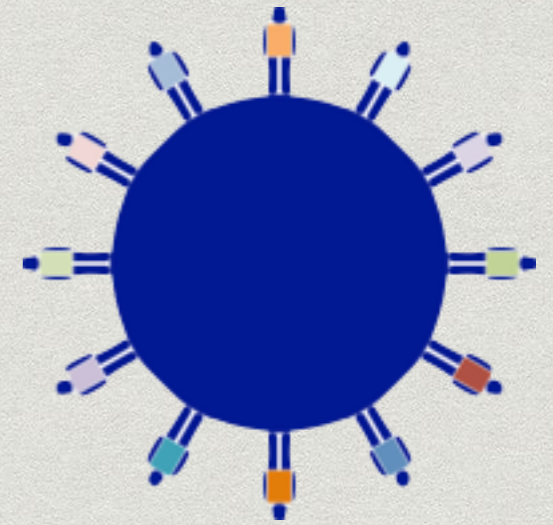


- \* Policy of Zero tolerance for corruption - Harsh penalties
- \* Disclosure of all property
- \* No conflict of interest
- \* Competitive salaries and incentives
- \* Corrupt Practices Investigation Bureau (CPIB)

# ADMINISTRATOR - EMPLOYEE INTERFACES

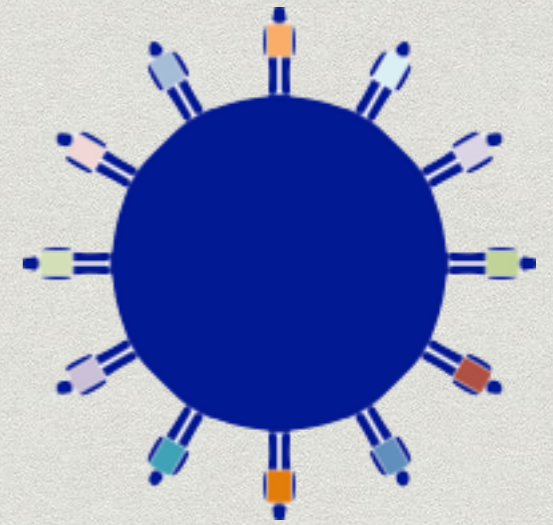


# Scope & Reason



- \* **Recruitment**, selection of undeserving candidates
- \* Transfers and postings, giving preference to undeserving candidates, by-passing seniority through discretion
- \* Disciplinary matters, awarding less severe punishment so as not to affect promotion or punishment not commensurate with gravity of offence.

# Solution



- \* **Transparency** in recruitment, proactive disclosures
- \* **Committee system**, boards for transfer, postings eliminating discretion, human interface through e-governance
  - \* Ex. Police establishment board for appointment to higher posts
- \* RTI and availability of answer sheets, marks, keys
  - \* Ex. MPSC prelims
- \* Timely completion and review of **disciplinary cases**

# ADMINISTRAT OR - POLITICAL INTERFACES

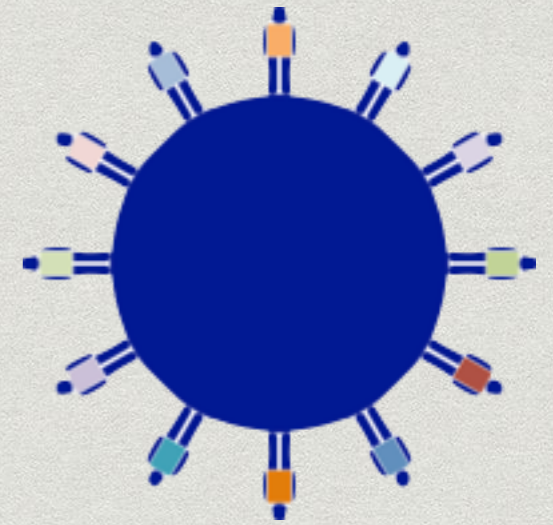


# Causes of Political Corruption

- \* Huge election funding
- \* Declining standards of ethics
- \* Lack of legislative accountability
- \* Criminalization of polity
- \* Low risk-high returns cycle
- \* Politician-bureaucrat-criminal nexus (Vohra committee, 1993)
- \* Political domination over administration



# Tackling Political Corruption



- \* State funding of elections
- \* Civil services Board for personnel matters
- \* Disqualification of people with heinous charges
- \* Special election tribunals
- \* Special fast track courts for speedy hearing of cases
- \* High risk-low return business
- \* Political accountability through legislature and legislative committees
- \* Financial audit of party funding and financial transparency in donations
- \* Free and fair elections
- \* Plugging loopholes in election related laws ( e.g. limit on party expenditures )



# Causes of Administrative Corruption

MONOPOLY + DISCRETION - TRANSPARENCY  
- ACCOUNTABILITY - INTEGRITY

- \* Cumbersome processes and systems
- \* Extraneous influence
- \* Low risk - high returns
- \* Collusive and coercive corruption

# Tackling Administrative Corruption

- \* E-governance
- \* Government Process Re-engineering (GPR)
- \* Strong ethical training
- \* Civil service reforms
  - \* Personnel matters
- \* Special courts
- \* Competitive delivery mechanism for services
- \* Legal reforms
  - \* Benami, lokpal, anti black money law, foreign exchange, e-procurement, whistleblower protection, citizen charter, foreign contribution
- \* Database of all corruption cases by NCRB
- \* Institutional reforms
  - \* CBI, CVC, ED, CAG, EC, IT dept, lokpal and lokayukta

# ADMINISTRATOR - CORPORATE INTERFACES



# Procurement

PRIVATE  
SECTOR

## Why is it important?

- \* Estimates of public procurement in India accounts for 15-20% of GDP (UNODC, 2011)
- \* Certain ministries spend half of their budget on procurement alone

## Reasons for Corruption

- \* GFR, 2005- used in public procurement in india - does not have the status of legislation
- \* violations does not attract hefty fines
- \* no central procurement mechanisms

# PPP

PRIVATE  
SECTOR

Sectors where PPP is prevalent - Roads, ports, health, education, energy, urban development, tourism.

## Potential areas of corruption

- \* Rigged specifications and procedures
- \* Collusive bidding / cartel formation
- \* False claims and statements
- \* Use of sub-standard materials
- \* False invoices
- \* Subversion of procedures under the excuse of suitable bidder not available
- \* Subjectivity at all stages of awarding the contract
- \* Concessionaire avoids revenue sharing by misrepresentation

# Tackling Corruption

PRIVATE  
SECTOR

- \* Public Procurement Bill
- \* Procurement Redressal committee
- \* Private sector entities and officials operating under PPPs should be brought within the ambit of law
- \* Penalty for violation of contract and debarment from bidding for private
- \* Emphasis on asset declaration of officials involved in the procurement
- \* Objectivity in rules and parameters for bid evaluation
- \* E-Procurement

# ADMINISTRATOR - CITIZEN INTERFACES



# Areas



- \* Identification of beneficiaries for various Government schemes like Indira Awas Yojana, IGNOPAS (Indira Gandhi National Old Age Pension Scheme)
- \* Distribution of the entitlements to these beneficiaries like PDS, MNREGA
- \* Service delivery to the citizens like issue of caste certificates, birth certificates, ration cards
- \* Management of public utility services like water supply, electricity supply, etc
- \* Redressal of public grievances
- \* Right to Information



# Tackling Corruption



## 1. On ethical dimensions

- \* Sensitization of public administrators towards peoples cause
- \* Imbibing compassionate service through sensitivity training

## 2. Use of technology

- \* Electronic service delivery & end-to-end computerization
- \* Biometrics for identification of beneficiaries
- \* Real time data entry

# Tackling Corruption



- \* **Right to Information act**

- \* Promote transparency and accountability
- \* Proper training by SIRD and ATI

- \* **Social Audit**

- \* NREGS
- \* Help from NGO and civil society

- \* **Citizens' charter** - Improve access to information and empower citizen

- \* **Integrity Pact**

- \* Check corruption in public contracting and procurement
- \* Introduce by Transparency International with the help of CVC

- \* **Panchayati Raj Institution - Accountability**

- \* **Role Of The Media**

- \* **Role of Education**

- \* Cultural values
- \* Ethics, character education

# Examples



- \* **SARATHI project** by Pimpri Chinchawad Municipal Corporation to avail hassle free service delivery to the citizens



- \* **Tamil Nadu model of PDS service**

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Thank you.