



Foundation for Peace, Harmony and
Good Governance



presents

OPENNESS

REFORMS

TRUST



National Seminar on

BLACK MONEY

18 May 2011, India Habitat Centre, New Delhi

Foundation for Peace, Harmony & Good Governance

The Foundation for Peace, Harmony & Good Governance (FGG), New Delhi, works towards promoting human and national development and socio economic and political justice. Its objective is to bring about effective policies and administrative measures to do justice to all and to eliminate corruption in all spheres of governance including politics, administration and judiciary by increasing transparency and effective decision making processes. The Foundation attempts to achieve its objectives by creating public awareness and building momentum to fight against injustice and corruption in all its manifestations. The FGG supports all anti-corruption measures by organising seminars, panel discussions and conferences and works as a link between the public sector, private sector, civil society and the people by providing a platform for all sections to come together and share their concerns.

As part of its activities, the FGG has organised events led by eminent jurists, spiritual masters and personalities from various traditions and walks of life including the Central Vigilance Commissioner, Chief Information Commissioner and Chief Election Commissioner. The FGG also encourages study and research on the root causes of crime, insurgency and terrorism; while punitive measures that deal with only the symptoms need to be made more effective, the underlying causes should be analysed and identified to take effective measures to eliminate the basic causes once and for all.

Some of the recent publications of the FGG include: "Triumph of Truth: Rajiv Gandhi Assassination: The Investigation" by D. R. Kaarthikeyan and Radhavinod Raju published by the New Dawn Press; and "Human Rights: Problems and Solutions" by D.R. Kaarthikeyan published by Gyan Books. Mr. D. R. Kaarthikeyan, President of the Foundation, is co-editor of "Pathways out of Terrorism and Insurgency: the Dynamics of Political Violence and Peace Processes in Contemporary Societies" published by New Dawn Press, INC. He has also contributed chapters in many other books including, "Root Cause of Terrorism" by Tore Bjorgo published by Routledge-London, and also on Human Rights published by United Nations University.

The FGG also works towards ensuring a fair, just and harmonious social order and equal opportunities for every section of the society to realize the full potential of the individual and make maximum contribution to the development of the nation. As a part of this endeavour, the FGG has been organising numerous events on many aspects of life and governance. Some such events include the following topics: "Invest in Yourself"; "Self-Care is Health Care is Earth Care"; "Truth Multiplier in Indian Stock Market"; "600-Days in Himalayas"; "Sun Gazing: A Cost Free Natural Method for Good Health"; "Your Health is in your Hands"; "The Journey Beyond"; "Confronting the Menace of Corruption"; "The Challenge of Black Money"; "Right to Information Act"; "Water-the Biggest Challenge"; "Spirituality – the Many Paths"; "The Essence of All Religions"; "Marriage for Peace"; "Health and Healing – The Natural Way"; "Kashmir – What Next?"; "Wave Genetics-The Cosmic Panacea"; "Ethics-With and Without God"; "Nutritional Therapy"; "Ensuring Free and Fair Election is the Foundation of Democracy"; "Living with Cancer"; "Science of Meditation"; "Right to Information-Essence of Good Governance"; "Ideal Parenting – Empowering Children"; "Being Healthy and Youthful-The Natural Way"; "Threat of Leprosy, HIV-AIDS and TB in India"; "Why Yoga"; "Corporate Governance"; "Aligning People with their Passions for Success"; "Weather Forecasting-Reality or Myth"; "Election 2009 and the Road Ahead"; "Impact of Triple Ethics-Reality or Myth"; "Is there a Human Rights Development"; "How to save and Invest Wisely"; "Tools for Tough Times"

The President of FGG Shri D. R. Kaarthikeyan travels constantly and participates in International and National events promoting many causes including good governance, environment, education, health, human rights, human responsibilities, economic and social justice, integrity, interfaith harmony, yoga and spirituality.

In short, the FGG continues to strive constantly in every possible manner since the last six years of its existence for creation of a better world, by ensuring a just, harmonious and prosperous society by promoting good governance.

अर्चना दत्ता (मुखोपाध्याय)
राष्ट्रपति के विशेष कार्याधिकारी (जन सम्पर्क)
Archana Datta
(Mukhopadhyay)
O.S.D. (PR) to the President



राष्ट्रपति सचिवालय,
राष्ट्रपति भवन,
नई दिल्ली - 110004
President's Secretariat,
Rashtrapati Bhavan,
New Delhi - 110004

MESSAGE

The President of India, Smt. Pratibha Devisingh Patil, is happy to know that the Foundation for Peace, Harmony and Good Governance (FGG) is organising a National Conference on Integrity on January 18, 2011 in New Delhi.

The President extends her warm greetings and felicitations to the organisers and the participants and wishes the Conference every success.

Officer on Special Duty (PR)

निदेशक
DIRECTOR



उप-राष्ट्रपति सचिवालय
VICE-PRESIDENT'S SECRETARIAT
नई दिल्ली/NEW DELHI - 110011
TEL.: 23016344/23016422 FAX: 23018124

MESSAGE

Hon'ble Vice President of India is happy to know that the Foundation for Peace, Harmony and Good Governance, New Delhi is organizing a National Conference on Integrity on 18th January, 2011.

Vice President of India extends his good wishes to organizers and participants and wishes the Conference all success.

A handwritten signature in black ink, appearing to read 'Ashok Dewan', with the date '14/1/11' written below it.

(ASHOK DEWAN)

**New Delhi
10th January, 2011**



रक्षा मंत्री
भारत
MINISTER OF DEFENCE
INDIA

January 10, 2011


MESSAGE

I am really happy to learn that the Foundation for Peace, Harmony and Good Governance is organising a National Conference on Integrity.

Accountability and transparency in governance has today become the cornerstone of performance at any level. We have to individually, as well as collectively, adopt a 'zero tolerance' towards corruption. Though the formulation of laws and media can undoubtedly play a large role in ushering in accountability and transparency, honesty and fairness are virtues need to be inherently imbued in us and must come from within.

I hope that the Conference will come up with practical suggestions to imbibe integrity, honesty and fairness in the civil society at all levels with a missionary zeal. I wish the Conference all success.

Please accept my best wishes for your future endeavours.


(A.K. Antony)

डा. एम. वीरप्पा मोइली
Dr. M. VEERAPPA MOILY



मंत्री
विधि एवं न्याय
भारत सरकार
402, 'A' विंग, शास्त्री भवन,
डा. राजेन्द्र प्रसाद रोड,
नई दिल्ली-110 115
MINISTER OF LAW & JUSTICE
GOVERNMENT OF INDIA
402, 'A' WING, SHASTRI BHAWAN,
Dr. RAJENDRA PRASAD ROAD
NEW DELHI-110 115
13th January, 2011

MESSAGE

I am glad to learn that Foundation for Peace, Harmony and Good Governance is organizing a National Conference on Integrity on 18th January, 2011 at New Delhi.

In the present day world, there is assumption in the minds of people that our moral values are shrinking with steady increase of greed and graft.

Integrity is a concept of consistency of actions, values, methods, measures, principles, expectations, and outcomes. Ethics is a set of standards that society places on itself and which help guide behaviour, choices and actions.

I offer my best wishes for the success of the National Conference on such a vital issue.

M. Veerappa Moily
(Dr. M. Veerappa Moily)

3, Tuglak Lane, New Delhi-110011, Phone : 011-2301 6764
"Kaustubha", #1, R.T. Nagar, Bangalore-560 032, India
Tel. : 0 80 2343 0491, Fax : 0 80 2333 4784, E mail : vmoily@kar.nic.in

Report on NATIONAL CONFERENCE ON INTEGRITY

Held on 18th January 2011 at Taj Palace Hotel, New Delhi

Organised by:

Foundation for Peace, Harmony and Good Governance

A Global Steel initiative

Foundation for Peace, Harmony and Good Governance (FGG),
102 (GF), Anandlok, New Delhi – 110049
Phone: 011- 46013255, 46013266, Fax: 011- 46013277
www.goodgovernance.in

INTRODUCTION

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 Kaarthiskeyan, Padma Shri Awardee; President, FGG; Former Director, CBI; and Former Director General, National Human Rights Commission. The recommendations from the conference are being 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.

Eminent speakers like Mr Naveen Jindal, Member of Parliament; Dr. J J Irani, Tata Sons; Mr Amar Pratap Singh, Director- CBI, Mr Sanjaya Baru, Editor- Business Standard; Mr Vikram Chandra, NDTV; eminent jurists Shri Harish Salve and Shri PP Rao and likes highlighted several issues of great importance that included creation of accountability and transparency in Government, role of media and devising ways and means to make our laws compliant. Valedictory address of the conference was given by Chairman of the Law Commission of India Hon'ble Justice Shri. P.V. Reddi, who evinced considerable interest by personally attending inaugural and some other sessions and by promising to consider the recommendations formulated in the Conference.

The focus of the deliberations was on the following three themes.

1. Making our laws compliant
2. Accountability and transparency in governance and
3. Role of media

INAUGURAL AND SESSION I

MAKING OUR LAWS COMPLIANT

Mr D R Kaarthikeyan (Padma Shri), President of FGG chaired the conference and welcomed all the speakers and delegates in the Conference.

1. He stated that 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. This is one of the biggest challenges that confront all of us today - need for transparency, accountability and ethical behaviour. At institution level integrity needs to be promoted by rallying for institutional changes. 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.

2. He referred to the approach paper of the Second Administrative Reforms Commission on Governance and Administration that was headed by Dr Veerappa Moily, the present Law Minister of India and quoted “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. Poor governance generates and reinforces poverty and subverts efforts to reduce it. Strengthening governance is precondition to improve lives of poor. The state apparatus is generally perceived to be largely inefficient with most functionaries serving no useful purpose. Bureaucracy in general is seen to be tardy, inefficient, and unresponsive. 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.

3. 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. This in turn has aggravated the tendency to resort to violence and crime to obtain rough and ready justice, promote sectarian interests, and to achieve ideological goals. 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.

4. 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. However, in certain core sectors where the state's role is critical, corruption continues unchecked. There are signs of growing corruption in some of the state-controlled sectors, indicating a shift from traditional forms of corruption to innovative ways and means to achieve corrupt objects. 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. Clearly far-reaching political and electoral reforms to transform our political culture and alter the nature of incentives in public life are the need of the hour.

5. Mr. Kaarthikeyan also referred to the fourth report of the Second Administrative Reforms Commission on Ethics and Governance submitted to the Government on January 2007 and quoted, "Integrity is much more than financial honesty. Public office should be treated as a trust.

There are two facets to corruption:

- (1) The institution which is highly corrupt;
- (2) 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. We should encourage these attributes. One of the problems is that the present codes of conduct are not direct and to the point. They are full of vague sermons that rarely indicate prohibitions directly. For formulating a code of ethics, it would be useful to keep in mind the advice of Napoleon who said, -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. While it may not always be possible to establish the criminal offence of misappropriation in a court of law, the Government servant can still be removed from service for causing serious monetary loss to the State."

6. He went on to add," 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 this context, public example has to be made out of people convicted on

corruption charge and the legal process in such cases has to be expedited. This hopefully, will also address the growing permissiveness in the society, in the more recent times, to the phenomenon of corruption. 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. Such steps will have to be taken in many sectors of the economy that are now being opened up. 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”.

7. He referred to the concluding words of Dr Veerappa Moily wherein he says, “We always find alibi for our lapses by quoting trespass from other democratic institutions, by resorting to a blame game. The executive/civil services blame interference by the political executive or legislatures and vice versa; legislators blame the judiciary and vice versa – the main problem lies in each one leaving space for others to occupy. If any of the democratic institutions leaves space, the mafia or extra-constitutional authority occupies that space. 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”.

8. He concluded his welcome and introductory speech by quoting an ancient subhashit (good message) – “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.”

Mr Naveen Jindal, Member of Parliament

In his brief speech, Mr. Jindal emphasized importance of integrity 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, he opined that transparency in India today is higher than what it was a few years back. He opined that the whole media should not be blamed for a corrupt few. He also observed that it is not always possible for corporate structures to work within a corporate structure without indulging in corruption- a honest confession that was well appreciated by the august gathering. He also pointed out that 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. To conclude he called for unanimous effort to ensure transparency and integrity in Government and corporate structures.

Dr Wajahat Habibullah, Former Chief Information Commissioner

Dr Habibullah, pointing out importance of the Right to Information Act, opined that scandals are exposed only due to the effective functioning of the Act. He stressed the need

to eliminate poverty by effective use of The RTI ACT through proper emancipation of information. He opined that 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. He lamented on the statutes of outdated bureaucratic structure, and their inability to care for the ones in need. He also pointed out that the existing institutions have not been successful in preventing and controlling corruption. He reiterated the need to develop an effective institution to prevent and arrest corruption.

Dr Subhas C Kashyap, Eminent Constitutional Expert

Dr Kashyap pointed out that the nation has been recently facing corruption cases of mind- boggling proportions that have tarnished our image in front of the nation as well as the world. Lack of integrity and corruption has become all pervasive, omnipotent and omnipresent. He pointed out that all our great institutions – the legislature, the executive, the judiciary and even the media stands exposed with eroded integrity. He also opined that 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 Cr PC, IPC, Prevention of Corruption Act, CVC Act etc have not been able to arrest corruption. He pointed out the following as 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, he opined that 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.

If corruption ceases to yield rich dividends and punishment becomes certain and deterrent, then it can be reduced and will finally be eliminated, he observed. There is also a need to look at the law-makers and check whether they have any vested interests, he opined.

Dr JJ Irani, Director, Tata Sons.

Dr Irani took reference of a few real life examples that his organization follows in order to deal with corruption, viz the Tata Election Trust, which provides donation to political parties based on certain eligibility criteria and is guided by pre-decided rules. He emphasized the need to provide courses on business ethics in B-schools – in order to create a society full of men and women of character. Taking an apt example of a baby who is not born as a corrupt, he opined that it is the duty of the parents, the teacher and the environment in general, to ensure that it remains so throughout its life- a legacy to be passed on to the future generations too. Urging all to speak out against the corrupt, he concluded by saying that 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.

Mr Amar Pratap Singh, Director, CBI

Mr Amar Pratap Singh opined that there is a need to change the criminal justice system in India. He informed that the 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. He suggested a few changes in the existing system that included citizen-friendly registration of crime, use of computers and CCTVs in police stations, starting of online filing of police cases, video recording of statements and confessions of accused that can be produced in courts during trial, amendment of the CrPC and the Evidence Act, and comprehensive reclassification of offences. He also opined that most of the laws, both substantive as well as procedural, were enacted a century ago. Criminality has undergone a sea change both quantitatively and