

**SPEECH OF DIRECTOR, CBI ON “COMBATING CORRUPTION FOR
GOOD GOVERNANCE” AT RCVP NORONHA ACADEMY OF
ADMINISTRATION ON 06.11.2013**

Shri Rakesh Agarwal, Director, RCVP Noronha Academy of Administration, faculty members, officers and trainees of the 88th Foundation Course, ladies and gentlemen.

2. It gives me immense pleasure to be here today with bright young officers, who are ready to shoulder the responsibilities of governance and give shape to the policies and programmes of the Government and fulfill the expectations of the people of the country.

3. Ladies and Gentlemen, Good governance appeared in development lexicon almost two decades ago. It occupies centre stage, quite deservingly, in the development discourse. Since ages, thinkers, philosophers, policy makers and academicians worldwide delved deep into the idea of Good Governance.

4. During our struggle for independence, the seeds of Good Governance were sown. Mahatma Gandhi's vision of a strong and prosperous India . Purna Swaraj . contains all the essentials of Good Governance. In his epoch making "Trust with Destiny" speech, Pandit Nehru set the agenda of the nascent nation as "the ending of poverty and ignorance and disease and inequality of opportunities" The Preamble and the chapter on Fundamental Rights and directive Principles of State Policy indicate the values that should guide the actions of the government and other social institutions.

5. In my view, Good Governance includes governance through empowerment, participation, accountability, equity and justice. It means freedom of information, a strong legal system and an accountable administration of public funds with a clear mission to improve the quality of lives of citizens and establish legitimacy and credibility of institutions.

6. Systematic corruption is a cardinal sin that under-cuts the basic institutions of economic advancement, undermines social cohesion, distorts allocation of resources and delivery of public services and weakens the Rule of Law. It not only reduces the pace of economic reforms but poses a serious challenge to our entire system of governance.

7. Governance encompasses the process, structures and organizational traditions that determine how power is exercised, how stakeholders have their say, how decisions are taken and how decision-makers are held to account.

8. Gradually the corruption is assuming a form of organized economic crime. The activities of a corrupt official are very often considered as an individual project. In other words, corruption is not considered, what it really is an economic crime.

9. Experience has shown that working in the IT environment has added to its own problems, including the opportunities that may be offered to corrupt elements. The number of cases of fraud and bribery in e-procurement are on the rise. Compromising of passwords, tampering and manipulation in electronic records and even hacking of official websites very often with insiders' involvement have resulted in huge losses to public exchequer.

10. Globalization and liberalization have also contributed to ever burgeoning corruption.. There have been a number of cases where the underlying mantra of globalization is observed to be %benefiting the business house and not the country+. The decision making process have been invariably distorted in favour of projects, which benefit a few rather than many.

11. Gradually, corruption is becoming a multi-faceted menace to the society. In our democracy and mixed economy, ~~£~~Crony Capitalismqis a new born baby. The exercise of discretionary powers by corrupt officials involves the policy of pick-and-choose which provides a motive to the potential beneficiaries to curry favours with such officials and this is %Crony Capitalism+. The modus operandi is by utilizing the services of what were earlier called facilitators or simply middlemen, and now known as %corporate lobbyists+. What would be the best model or procedure for allocating the scarce resources on an equitable and fair basis, while maintaining the balance of economic development? This is a question on which would depend the degree and scope of corruption in that particular sector of economy, whether that is coal or airport development or power plants or frequency spectrum.

12. Mining has become a potential avenue of corruption in our country and this situation is most likely going to aggravate further. Unfortunately, we did not have a well-defined legal framework in place, to regulate and govern this activity, for a very long time. In the case of Mining, there is total absence of a meaningful legal framework for land acquisition, which would cater to the needs of all the stakeholders.

13. Real Estate Sector has found a highly debatable place in the list of corruption-prone areas. Acquisition of land for the public purposes can have big socio-political overtones. The question which demands our interest is about the extent to which the builder mafia is conniving with the set of corrupt officials, for the purpose of grabbing land at ridiculously low prices, and thereafter making huge profits by taking up other revenue-generating activities.

14. Social Sector spending is spread, across the sub-sectors of health, education and welfare. Programmes such as National Health Mission, Sarva Shiksha Abhiyan and now National Rural Employment Guarantee Scheme are just a few examples, which have allocations running into thousand of crores of rupees every year. The proposed Right to Food Act is going to cost the public exchequer an astounding Rs. One lakh crores every year. It is going to be a formidable challenge to ensure that these huge outlays are converted into outcomes, reaching the targeted beneficiaries, and are not just siphoned off on the way, and this will rightly be yet another area of concern for corruption in future governance.

15. Huge investments for the purpose of creation of infrastructure are definitely going to continue as a vast area of corruption. Deep concerns have been expressed in various quarters about the public-private-partnership route, being adopted for the creation of core infrastructure, like power or roads, ports or airports, chemicals or petrochemicals. This route is full of pitfalls and it has opportunities for corrupt activities with big scope for collusion amongst the promoters of consortiums to whom such projects are awarded, and the corrupt public servants at the decision-making levels.

16. The governance in future will also have to envisage an ever-increasing level of foreign direct investment or FDI in infrastructure projects. Mobilization and management of FDI are going to be facets of governance that will attract kickbacks and corruption, if not handled with care.

17. I can suggest a few broad methods to you here today which will help you in prepare the strategy to deal with this menace. I would put them under some broad heads.

18. For a good governance, even the offering of bribe should be made a substantive offence. The requirement of sanction for prosecution for offences of bribery and acquisition of disproportionate assets should be dispensed with. Blanket protection to the %decision-making level officers, earlier through the Single Directive, now Section 6A of DSPE Act, to be limited to cases of abuse of official position only. No grant of stay upon proceedings in the Trial Court under any circumstance, more deterrent punishments with heavier limits of fines with a clear sentencing policy etc. Special law for attachment and confiscation of property derived out of corruption practices.

19. There should be fully functional autonomy and professional independence to the State ACBs, in taking up anti-corruption cases against any class of public servants. Provision of adequate budgetary support along with the lines of Police Modernisation Scheme. Constitution of Special Courts, exclusively for Anti-Corruption Bureaus Cases, as per requirement.

20. Within the offices and departments, we can develop a strategic control mechanism. The first strategy that you may adopt in the field is Preventive Vigilance which involves studying the organisation, its policies, processes and people to identify vulnerabilities to corruption and recommend corrective measures. It involves cutting down administrative delays, reducing arbitrariness and discretion and decision making, simplification of rules and procedures and bring about more transparency and openness in government functioning. Surprise checks, unscheduled inspections, discreet watch upon officers of doubtful integrity etc. would go a long way in improvement of the vigilance environment.

21. The second strategy may be Punitive Vigilance Approach, which involves prosecuting the guilty and taking up disciplinary action against the public servant under the Conduct Rules. The punitive measures will relate to laws, rules and mechanism for effective investigation, court trial and timely judgement to deter the corrupt functionaries.

22. The third approach may be Participative Vigilance through the direct engagement of common man using the technology to help check corrupt practices. Promotional measures including encouragement to value based policies, inculcation of moral and ethical principles among the new generation in schools and colleges, and building up of a kind of social ostracisation of the corrupt people by the society will help in dealing with the menace of corruption.

23. As heads of various departments and organizations, it will also be your duty to ensure that corruption in private sector is also checked. The example of Satyam Corporate Fraud in Hyderabad is an eye opener which not only has an example to derail the economy of the nation but also tarnished its image in the eyes of international community. Therefore, you must keep your eyes and ears open and ensure that the rules and procedures are followed scrupulously in both public and private sectors.

24. In your department, when you join, you will find vigilance enquiries are pending for a number of years. It is necessary that these vigilance cases and departmental enquiries are disposed off expeditiously. Not only should it be ensured that the guilty are punished adequately, rather care should also be taken to ensure that they are punished promptly. But care must be taken not to stifle genuine risk-taking trait by the officers. You will be required to see whether any person of common prudence, working within the ambit of the prevalent rules, regulations and guidelines, would have taken a particular decision in the prevailing circumstances in the commercial interest of the organization. Bonafide decisions should be out of the purview of inquiry or investigation.

25. You should be careful in ensuring the whistle blower is not exposed as the country has seen ruthless murders of some whistle blowers in the past.

26. A lot of initiatives have been taken on the legislation front to tackle corruption since independence. The Prevention of Corruption Act, 1947, the Criminal Law Amendment Act of 1952, the Santhanam Committee Report, the Prevention of Corruption Act, 1988, are just a few examples of our proactiveness. The existence of Central Vigilance Organisations and the Anti-Corruption Bureaus in the States and the presence of Central Vigilance Offices in all Public Sector Undertakings and Government Departments manifest the resolve of the Government to tackle corruption. In the recent past, the Government has taken a number of initiatives to tackle this menace like the ratification of the United Nations Convention against Corruption, Membership of the Financial Action Task Force and Introduction of the Prevention of Bribery of Foreign Public Officials and Officials of Public International Organizations Bill, 2011.

27. Another important point that you will need to emphasize is that if efforts are made, even a small team of officers can deliver, achieve better ethical standards and instill fear in the hearts and minds of the corrupt. An example of this is the CBI-the premier investigation agency of India which plays a major role in drive against corruption.

28. Established in 1941 as Special Police Establishment, to tackle corruption in War and Supply Department during British Regime, it has now become a multi-disciplinary investigating agency, which has the trust of the Judiciary, the Executive and the common man. It is known for its professionalism and Integrity in keeping with its Motto - "Industry, Integrity and Impartiality".

29. The reputation of CBI for professional efficiency, competence and integrity has been lauded by the Presidents, the Prime Ministers and the Supreme Court on a number of occasions. In the past few years, there has been a spate of demands by the States, the Constitutional Courts and the man on the street for handing over investigation of major cases of corruption, cases of huge economic and financial frauds and crimes having inter-State or international ramifications, Cyber Crimes, Wild Crimes, Human Trafficking etc and even conventional cases, like kidnapping, murder, rape etc. to the CBI. Today, it has transformed into a multi disciplinary organization, housing several specialized investigating branches. It is spread over the length and width of the country from Jammu & Kashmir in the North to Tamil Nadu in the South, from Gujarat in the West to Guwahati and Shilong in the North-East.

30. The CBI has played a major role in preserving the values in public life in ensuring the health of the national economy and unearthing crimes which have shaken the nation on many occasions. The Bomb Blast case in 1993, Purulia Arms Dropping case, Beant Singh Murder case, Haren Pandya murder case, Rajiv Gandhi Assassination case, Babri Masjid Demolition case, Bilkees Bano case, the banking sector scam, the 2G, CWG Scams, the NRHM Scams, the Satyam Scams, which are just a few amongst thousands of cases which have been successfully investigated and prosecuted by the officers of CBI. Consequently, the success alludes but none, the people's faith in the CBI remains intact . always. It is seen by all as a Bureau having capability and credibility. While deciding a case, the Supreme Court observed, "The little people of this country have high hopes in the CBI, the prime investigating agency which works and gives results. We cannot right now foresee any substitute for the CBI+.

31. The CBI has very high induction standards and attracts the best possible talent in terms of integrity and professionalism. It provides the officers with opportunities of professional freedom and growth, security of tenure, inter-State and international exposure and independent working environment.

32. I have to request all of you that wherever you are, in whatever capacity, you must work for eradication of corruption-as heads of the departments or organizations, as CVOs etc. You will have to ensure a greater cooperation and coordination between your department, anti-corruption and enforcement agencies. This will ensure that the huge investments in various sectors are directly monitored at the grass root levels. Such cooperation will provide a comprehensive and multi-disciplinary approach in combating corruption and help us to examine our institutional capabilities, share our experiences, build integrity institutions and establish long term process for identification and elimination of corrupt systems and practices.

33. I will end by requesting all of you that no matter what situations you are in, always choose the right path. It may not be an easy choice and the road you decide to take may be tough. It may push you way out of your comfort zone, but you will find that once you do it, your life becomes more meaningful and purposeful. Sometimes we need to draw a line because we know it is right and for our own self-respect. Your heart will tell you when the time is right. When it does; listen. Then fight hard. You will respect yourself, so will others.

34. Let me end by wishing you success in all your endeavours. I am confident that I am standing in front of the community leaders of tomorrow, who will lead and guide nation and take it to new heights.
