

# CORRUPTION AND GOVERNANCE IN INDIA

## — CURRENT STATUS AND WAY FORWARD

POLICY BRIEF



Voluntary Action Network India (VANI)

## **Corruption and Governance in India – Current Status and Way Forward**

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## **Preface**

India has been gaining prominence on the international stage as one of the fastest growing economies of the world and as a leader of the South-South Cooperation Framework. Through platforms such as BRICS, G20 and IBSA, India finds itself in a position to influence and shape the Post 2015 Development Agenda. In order to make its voice representative at these forums, it is imperative that the experiences and concerns of India's voluntary sector be taken into account. At the same time, the voluntary sector in India also needs to understand the intricacies of global issues and the debates and processes that have a cascading effect on it.

In this context, VANI coordinated studies on four thematic issues, namely, Inclusive Growth, Financial Inclusion, Sustainable Development and Corruption and Governance with its partner organisations. The four reports which were produced as a result of these studies are intended to provide critical inputs to the Post-2015 Development Agenda from the voluntary sector in India and for this purpose; they will be fed into line ministries and international networks.

It was felt that the reports be condensed into comprehensive albeit succinct policy briefs for wider dissemination. The policy briefs were further translated into Hindi. It is our hope that through these policy briefs, we can help engage, educate and impact small and grassroots organisations in India by addressing the lacunae that exist among them about the policies and decision making processes at an international level and present the voice of the sector, domestically and globally.

Harsh Jaitli  
Chief Executive Officer

*Corruption and Governance in India — Current Status and Way Forward*

<b>Partner Organisation</b>	<b>Author/s</b>	<b>Thematic Issue</b>	<b>Title</b>
Wada Na Todo Abhiyan	Mr. Rahul Banerjee	Inclusive Growth	Bringing People In From The Cold- Ensuring Inclusive Growth in India
Development Alternatives	Development Alternatives	Sustainable Development	Sustainable Development In India- Review And Way Forward
Society for Participatory Research in Asia	Mr. Manoj Rai	Corruption and Governance	Corruption and Governance In India- Current Status And Way Forward
Confederation of Voluntary Associations	Dr. Mazher Hussain, Mr. Roberto G. Le-srauwaet, Mr. M. Murali Krishna	Financial Inclusion	Critical Review of Financial Inclusion- In G20 Countries With Focus On India

## **Corruption and Governance in India**

Governance can be broadly defined as processes and institutions by which authorities are exercised in a country or a region. The Planning Commission of India in the 11th Plan document agrees that good governance covers all aspects of the interface between individuals and business on one hand and government on the other. Accordingly it says that governance should cover the following distinct dimensions:

- Constitutionally protected right to elect government at various levels in a fair manner, with effective participation by all sections of the population.
- The government at all levels must be accountable and transparent. Closely related to accountability is the need to eliminate corruption, which is widely seen as a major deficiency in governance.
- The government must be effective and efficient in delivering social and economic public services, which are its primary responsibilities.
- Local Governments (Panchayats and Municipalities) should be empowered to function efficiently for local economic development and social justice.
- The rule of law must be firmly established.
- Finally, the entire system must function in a manner which is seen to be fair and inclusive.

It is a matter of great concern that the world's largest democracy with such a comprehensive constitution and a very vibrant civil society has performed so badly on internationally accepted governance Indicators. It is also perplexing to see that despite a many fold increase in budgetary allocations for social sector expenditure, India's ranking in the world in terms of Human Development Index remains stagnated at 136 among 187 countries and territories for over many years.

According to the latest World Bank Report, India is the third largest economy of the world in terms of purchasing power parity. But India's per capita GDP (adjusted to purchasing power) is half of China, one third of Brazil and one fourth of Russia among peer BRICS countries.

## **Factors influencing Corruption:**

### **Causative Factors:**

- (i) Social Inequalities and Undemocratic Dynasty Culture:** From politicians to bureaucrats to private business to civil society leaders have perpetuated culture of power transfers to their family members and/or close relatives. In doing so, they manipulate democratic practices and so, perpetuate corruption.
- (ii) Centralized Democracy:** The leaders and officials of union and state governments (unlike the local governments' representatives who are accessible on daily basis) are not often accessible to ordinary citizens and so, are not socially accountable. As a result, people are not able to influence decisions at a local level and may become victims of manipulative and corrupt practices of centralised delivery agencies.
- (iii) Opaque and Unaccountable Political Parties:** Political parties, their resources and their conducts in public and private domains are not transparent and therefore, remain out of the purview of governance accountability. Also, India does not have a publically accepted procedure for political funding.
- (iv) Colonial Bureaucracy:** India's bureaucratic system is still suited to colonial mind-set of ruling the people rather than serving them. The Bertelsmann Foundation 2008 report states that India is characterized by a deeply rooted patronage system and pervasive corruption at all levels of the polity and administration.
- (v) Ineffective Judicial System:** India is ranked 26th of 131 countries on indicators of judicial independence in the Global Competitiveness Report 2007-2008. Recent Global Integrity Report also rates judicial accountability in India as weak. Unfortunately Indian legal system is known to be generally inaccessible for ordinary citizens and skewed in favour of rich and powerful ones. As per a report in Indian Express (dated 23rd Dec 2013) about 32 million cases are still pending in the Indian courts.

### **Intermediary/Accentuating Factors:**

- (i) Outdated Rules of Governance (Police, Private Sector, Religious Institutions and NGOs):** Most fundamental rules in governance of India, Police, Co-operative and other welfare Societies etc. are still based on the 1860 Act with amendments that are not effectively implemented. In spite of Supreme Court directives to reform the police to be independent, pro-people and publically accountable, the government has not taken any significant step in this direction despite making public commitments to do so.
- (ii) Uninformed Citizens:** Governments often bring in legislations and order to curb corruptions but do not proactively educate ordinary citizens so that they can use these provisions against corruption. In a country like India where more than 25% of its population is illiterate (the proportion of functionally illiterate could be much higher), the indifference of government and lack of information make matters worse for minimizing corruption.
- (iii) Public Procurement Policies:** In India, estimates of public procurement vary between 20% of GDP to 30% of GDP . Various studies cite public procurement as one of the most important roots of corruption in governance. Failures of centrally sponsored schemes and initiative such as Rural Employment Guarantee Programme, Public Distribution System, Rural Health Scheme (as in the case of U.P), etc. are some of many examples of problems in public procurements. This makes social spending contracts a waste due to corruption.
- (iv) Self-accountable Media:** Media's role in India has increased manifolds in recent years. It influences people's perceptions and actions. Media has highlighted many issues of corruption and has also successfully pursued actions against such corruptions. But media's own houses are not in order and their accountability to the systems of governance has not been above board. There are reported incidents of 'paid-news' and false propaganda.

### **Institutional Framework for Anti-Corruption:**

There are numerous institutions in India to implement anti-corruption policies. They range from much respected institution of Supreme Court of

India to newest institutional set-up called Lokpal as per mandate of the Lokpal and Lokayukt Act 2013 enacted in 2014. Some of the prominent institutions for mitigating corruptions are: -

- (i) **The Supreme Court of India:** The highest court of India has taken stronger stands against corruption by challenging powers of states in several instances. It has entertained Public Interest Litigations to pass directives against corrupt officials and/or practices. The court has also formed special groups to investigate issues and has taken over supervision of ongoing investigations against reported corruption.
- (ii) **Offices of the Lokpal and Lokayukt:** The Lokpal and Lokayukt Act, 2013 provide for the establishment of a body of Lokpal for the Union and Lokayukta for States to inquire into allegations of corruption against certain public functionaries and for matters connected therewith or incidental thereto. Lokpal's jurisdiction will cover all categories of public servants including the Prime Minister of India. All entities receiving donations from foreign source in the context of the Foreign Contribution Regulation Act (FCRA) in excess of Rs 10 lakh per year are brought under the jurisdiction of Lokpal.
- (iii) **Office of the Comptroller and Auditors General of India (CAG):** The office of CAG is an authority, established by the Constitution of India, who audits all receipts and expenditure of the Government of India and the state governments, including those of bodies and authorities substantially financed by the government. The office of CAG thus acts as an effective check on financial irregularities by the public authorities. The audit reports of CAG contributed significantly in exposing mega-corruption such as those of 2G spectrum and Commonwealth games.
- (iv) **Central and State Information Commissions:** The office of Central Information Commission at Union level and the offices of State Information Commissions at state levels are set-up under the Right to Information Act, 2005. These offices support citizens in accessing information and take punitive actions against authorities who fail in fulfilling their mandated responsibilities to provide appropriate and timely information. The decisions of CIC or SIC are binding. Over the years these offices have effectively supported citizens in not only

accessing the information but also in exposing corruptions.

- (v) **Central Vigilance Commission:** The Central Vigilance Commission (CVC), a statutory authority, is conceived to be the apex vigilance institution, free of control from any executive authority, monitoring all vigilance activity under the Central Government and advising various authorities in Central Government organizations in planning, executing, reviewing and reforming their vigilance work. In 2004, Central Government designated the CVC as the designated agency to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action.
- (vi) **Central Bureau of Investigation:** The Central Bureau of Investigation (CBI) is the Government of India's foremost investigating police agency. It is overseen by the Department of Personnel and Training of the Ministry of Personnel, Public Grievances and Pensions of the Union Government, headed by a Union who reports directly to the Prime Minister. Beside Union Government, the High Court and the Supreme Court have the jurisdiction to order a CBI investigation into an offense alleged to have been committed in a state without the state's consent, according to a five-judge constitutional bench of the Supreme Court (in Civil Appeals 6249 and 6250 of 2001) on 17 Feb 2010. The CBI has high credibility in unearthing crimes and corruption though it has also been blamed repeatedly to serve political interests of ruling class.
- (vii) **State Anti-corruption Bureau:** The Anti-Corruption Bureau is a specialized agency tackling the problem of corruption in various departments of the Government against Public Servants and also against Private Persons who abet the offences, under the Prevention of Corruption Act, 1988. The anti-corruption bureaus have been constituted by all state governments to register the cases under the provisions of this Act. Besides this, the Bureau conducts enquiries based on the information/petitions received from various agencies like Government, Vigilance Commission, Lokayukta etc. and also on the information/petitions received by the Bureau from the public containing specific and verifiable allegations of corruption against Public Servants. The Bureau has suo-moto powers to collect information, conduct enquiries and register cases on Public Servants.

## **India's International Concerns and Commitments on Anti-Corruption**

As the world's largest democracy India faces a number of challenges. But as one of the most diverse countries in the world and one of the largest economies in the world, India is known for its respect to international protocols and its active roles in international cooperation. India has also signed cooperation treaties bilaterally with many countries to exchange cooperation in fights against crimes and corruption. Being the founder and ordinary member of many global platforms, the country has committed its supports to various international initiatives against the corruptions and follows the due procedures as laid down in various commitments. Some of the major international commitments of India are as follow:

- a) **United Nations Convention against Corruption (UNCAC):** In May 2011, the Indian Government ratified two UN Conventions - the United Nations Convention against Corruption (UNCAC). The United Nations Convention against Corruption (UNCAC), which entered into force in December 2005, is the first ever binding global anti-corruption instrument. It obliges the States to prevent and criminalize different corrupt practices, promote international cooperation, cooperate for the recovery of stolen assets and enhance technical assistance and information exchange. The Convention addresses both the public and private spheres and provides a set of comprehensive agreed-upon obligations and provisions to criminalize corruption and enhance transparency and accountability. In order to monitor the progress in the implementation of the Convention, Member States have agreed to conduct "peer-review mechanisms" among themselves, for which UNODC acts as a Secretariat.
- b) **International Association of Anti-Corruption Agencies:** The Central Vigilance Commissioner of India has been a member of the Executive Committee of the International Association of Anti-Corruption Agencies (IAACA) since its inception in 2006 in Beijing, China. With the aim of facilitating implementation of the United Nations Convention against Corruption, the IAACA has successfully organized series of events in an effort to push forward international cooperation against corruption.

- c) **Asian Development Bank- OECD Anti-Corruption Initiative:** India is an active member in the Asian Development Bank- OECD Anti-Corruption Initiative for the Asia Pacific Region. The Initiative supports the member governments' efforts to fight corruption through three mechanisms namely, (i) Fostering policy dialogue through Steering Group Meetings and Conferences (ii) Policy analysis, including thematic reviews and stocktaking and (iii) Regional Seminars
- d) **Anti-Bribery Working Group of OECD:** India participates regularly in the Anti-Bribery Working Group of OECD (Organisation for Economic Co-operation and Development) as an Observer.
- e) **G20 Anti-Corruption Action Plan 2013-14:** Being the member of G-20, India shares concerns and commitments of G-20 nations against corruption. G20 Leaders established the G20 Anti-Corruption Working Group in Toronto in 2010 and endorsed the first Anti-Corruption Action Plan in Seoul later that year. At the Los Cabos summit, Leaders renewed the mandate of the Working Group and called for a revised Action Plan to be developed. The G20 renews its pledge to implement fully the commitments found in the Seoul Anti-Corruption Action Plan, the Cannes Monitoring Report and subsequent Leaders' declarations adopted at the Summits in Cannes and Los Cabos, noting in particular the commitment in the Los Cabos communiqué to “closing the implementation and enforcement gaps.
- f) **IBSA Joint Working Group and BRICS:** India is also actively involved in the anti-corruption initiatives of various groups of countries BRICS (Brazil Russia India China, South Africa) and IBSA (India-Brazil-South Africa). An IBSA Joint Working Group (JWG) on Public Administration was launched during the first IBSA Summit held in Brasilia (13 September 2006). The JWG aims at ensuring an effective public service and sharing of best practices in governance amongst the three countries, including effective systems for monitoring and evaluating government performance. The JWG has identified six key areas for sharing knowledge and learning viz. Integrated Monitoring and Evaluation, E-Governance, Human Resource Development, Citizen-Oriented Service Delivery, Anti-Corruption and Ethics, and Accountability and Transparency. BRICS leaders also share their

concern on rising corruption in countries and emphasized the same during recent 6th BRICS summit held in Fortaleza, Brazil. The 6th BRICS summit declaration reaffirms the commitments of BRICS countries when it says in point no. 58 that ‘We recognize that corruption negatively affects sustainable economic growth, poverty reduction and financial stability. We are committed to combat domestic and foreign bribery, and strengthen international cooperation, including law enforcement cooperation, in accordance with multilaterally established principles and norms, especially the UN Convention Against Corruption.’”

- g) **United Nations Global Compact:** Many of Indian business companies have embraced principles of United Nations Global Compact (UNGC) to work against corruption in all its forms, including extortions and bribery. The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.
- h) In addition to above, **India has also requested to join Asia Pacific Economic Cooperation (APEC)** and so, in a way subscribe to the APEC’s commitments against corruption, as declared in Santiago in Chile in the year 2004.

### **Influences of India’s International Commitments on domestic actions against Corruption:**

As discussed above, India has been quite active in multilateral global forums such as G-20, BRICS, IBSA and OECD. As a member of UN, India has been signatory to many UN treaties and agreements. These international commitments and obligations have influenced India to bring in appropriate changes in legal and executive initiatives against the corruption. The Indian Government ratified two UN Conventions in May 2011 - the United Nations Convention against Corruption (UNCAC) and the United Nations Convention against Transnational Organised Crime (UNTOC) and its three

protocols. Because of these commitments and also due to domestic demands, India moved towards enactments of various anti-corruption acts.

After India ratified the UNCAC, the United Nations Office on Drugs and Crime also started two initiatives aiming at encouraging corporate integrity and probity in public procurement. While both studies acknowledge that important legislation exists in India, under which corruption can currently be prevented and investigated, the Indian legal framework could be substantially strengthened by the enactment of a series of new bills, including (i) the Public Procurement Bill 2012, (ii) the Company Bill 2012, (iii) the Whistle-blowers Protection Bill 2011, (iv) the Prevention of Bribery of Foreign Public Officials and Officials of Public International Organisations Bill, 2011 as well as the amendment to existing laws to include bribery in the private sector as a punishable offence. Though some of the bills are still pending but voices in support of having such acts are strengthening day by day.

UNCAC has 71 Articles divided into 8 chapters. It requires that States Parties implement several anti-corruption measures which may affect their laws, institutions and practices. These measures could help to prevent corruption, strengthen international law enforcement, de-criminalize conducts and support judicial cooperation. It provides for effective legal mechanisms for asset recovery, technical assistance and information exchange, and mechanisms for implementation of the Convention, including the Conference of the States Parties to the United Nations Convention against Corruption (CoSP). It is said that the current Lokpal Act, enacted by India in 2014, supports India's commitments to her international commitments including the ratification of UNCAC.

### **Anti-Corruption Initiatives by Citizens and Civil Society**

Indian Civil Society has a long tradition of voicing and acting against prevailing corruption in governance. However, its focus has been more on corruption in organs of government and less on other actors of governance such as the private sector, media, religious and research institutions and NGOs.

The transformative Index 2014 reports that civil society in India is increasingly assertive. However in its study on assessing anti-corruption and

good governance mechanisms in India, Global Integrity Report expresses concerns on relatively weaker engagements of Indian civil society with the issue. Anna Hazare led ‘India Against Corruption (IAC)’ movement in 2011 was the most recent and focussed national initiative against the corruption, which mobilized ordinary citizens to rise against corruption in government of India.

Indian civil society organizations are also active members and/or collaborating partners in various international initiatives against corruption such as those anchored by the Transparency International, CIVICUS, C-20, IBSA, Credibility Alliance, et al. In India, the Civil Society groups often raise issues related to corruption in delivery of public services; ask questions on loopholes in existing rules and regulations. They also monitor actions of implementing agencies. A large number of civil society organizations such as Transparency International India, VANI, National Social Watch, PRIA, ADR, MKSS, CBGA, Bharta Swabhiman Trust, India Against Corruption, Jago Re, Lok Satta et al work towards reforming the governance in India and so, reducing corruption emanating from a governance deficit.

A number of initiatives by NGOs at local and sub-national levels have led to exposing corruption and reforming the governance. There are different categories of NGOs working on different type of factors (causative and accentuating) affecting corruption in governance. Some of them are referred below.

**(a) Social Accountability Initiatives:** It is because of functional existence of Panchayats as accessible institutions of local governance and civil society organizations as facilitators that social accountability tools such as Social Audit, Jan Sunwai and citizens-government interface, Citizens’ Report Card became popular and effective in bringing transparency in governance and reduction in corruption. For example, Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) programme, mandated compulsory social audit of works done under it. States where MGNREGA implementation and social audits have been effective are those where civil society organizations, independent activists have been pro-active in spreading awareness and mobilizing the poor, conducting mass public hearing and social audits. For case studies, please see websites of Accountability Initiatives, PRIA, NREGA, PAC, et al.

- (b) Right to Information and Pro-Active disclosers:** Perhaps one of the most important tools used by Civil Society in making government transparent has been the use of Right to Information. Understanding the provisions of the Act and then using it themselves or helping citizens to use the RTI, civil society organizations have been able to access relevant information and use that information for ensuring accountability of officials and/or exposing corruption. The provisions under RTI Act of 2005 empower citizens to demand information (as against the provisions of Official secret Act, 1923) and forces officials to divulge the information. This helps bridge the information gap between citizens and the government. The information gaps have always been root causes of corruption.
- (c) Budget Tracking:** DISHA, IBP, CBGA are some of the few names which have pioneered the concepts of budget tracking from top to bottom to find out when and how much of the allocated resources reached to their intended target.
- (d) Data Building:** Data about poor and marginalized are either not available or not reliable, if available. This data is ultimately used as a basis for public policies and programmes for inclusion and development of the marginalized communities. Civil Society organizations in different parts of the country have capacitated the communities to map their own resources and functional basic amenities in their locations to either counter or support data from the government. This process of data building (for example, GPS mapping by the slum dwellers <http://terraurban.wordpress.com/>) has effectively helped the community to demand due entitlements.
- (e) Campaigns for Political reforms and Social Movements:** Civil Society coalitions usually undertake awareness campaigns to sensitize and educate people on their roles, responsibilities, rights and entitlements. There are also apolitical campaigns for people's participation in political spaces such as Pre-Election Voters Awareness Campaigns to educate citizens about importance of voting in and contesting the Panchayat/Municipal elections. Citizens' demands to include their issues in political manifestos are other examples. Citizens and civil society were in forefront during the India Against Corruption

movement led by Anna Hazare. It mobilized large number of citizens to encourage demands by the citizens and pressurize government in ensuring inclusiveness and transparency in governance and reduce corruption in governmental actions.

- (f) Use of Alternative Media (Internet, Social Media and Mobile Phones):** As the traditional media (newspapers, radio, magazines, and television channels) becomes more inaccessible (due to economic, social or political barriers) or outdated, civil society has effectively used social media (face-book, twitter etc.), mobile phones (sms and call centres) and internet in mobilizing opinions and seeking support. Though reach of alternative media is limited in comparison to traditional methods but it is increasing and has cascading effects. For example, ‘I Paid the Bribe’ is a website where citizens can report bribes demanded by public officials and read about experiences to see where bribery occurs.
- (g) Factors Supporting NGOs to act for Governance reforms and against Corruption:** There are some internal reasons for shortcoming of NGOs in tackling corruption such as:
- (i) Lack of comprehensive understanding of the legal frameworks:** In such cases temptation to act overtakes need to understand fully the minutest details of rules and regulations related to the issues (problems). For example trying to promote use of the Right to Information (RTI) Act without oneself understanding the provisions of the RTI Act.
  - (ii) Mis-understanding about the target:** For example, demanding repair of municipal roads from Governor of the State. NGO should plan its action with full preparations and full understanding of the stakeholders and their roles. A governor could be helpful in policy directive while municipal engineer could address road repair issue.
  - (iii) Lack of appreciation and cooperation spirit:** Most often NGOs very humbly feel self-sufficient and so; do not appreciate the value of partnerships. Even if they do understand value of partnership, the spirit of cooperation often misses. In such cases chances of failures become very high as corrupt people in governance may easily manipulate fractured strength of CSOs.

In a country like India where Government and Governance have largest influence, it is important to address multiple issues in governance. There are also examples (Social Audit, Knowledge Resource Centres, and Self-Help Groups et al) of NGOs actions which have been mainstreamed into governance processes and so, have made larger and more significant positive impacts on societal developments.

### **Recommendations**

India must act towards improving responsiveness, transparency and accountability in its systems and processes of governance. The current political slogan of ‘less government and more governance’ implies overhauling the systems of governments to ensure maximum use of minimal public resources for greater inclusive development. That requires systems to be sensitive, citizens-centric, transparent, corruption-free and efficient in their responses. Different actors in governance (national, provincial and local governments; Civil Society including Media and the Market) must work together and complement each other in nation-building. The government and political leadership in the country should therefore commit for systems and processes of governance to enable: -

- A. Mandatory education of all citizens about their roles, responsibilities and rights as well as the rules and regulations of governance:** Right to information (if someone demands...) and Right to education (if someone wants to study...) are important rights. But it must be made binding on the Union, State and Local governments that they should prepare details of existing and new rules and ensure its dissemination to and understanding amongst ordinary citizens. So, this must become a proactive responsibility of the government to educate citizens about all s/he needs to know for getting benefits from the government. Similarly private service providers should ensure availability and appropriate use of the relevant information by their client- citizens.
- B. Decentralized and Participatory Development Planning and implementation, led by constitutionally mandated local governments must be mandatory:** Decentralized local governance reduces corruption in the long run. This is because localization helps to break the monopoly of power at the national level by bringing decision making closer to people. Provisions and practices of taking decisions at

local levels also strengthen government accountability to citizens by involving citizens in monitoring government performance and demanding corrective actions. This way it helps government to be more responsive and accountable to the people. In turn it reduces corruption and improves service delivery.

- C. Reforms in Political Parties for their internal democracy and public accountability:** Political party reforms are critical in the context of electoral reforms and need to be addressed urgently. In absence of any concrete legal regulations, political parties do not hold fair and democratic internal elections and do not comprehensively report on their income and expenditure. As regards accountability related to reporting on the regular functioning, expenditure and income of registered political parties, there are certain provisions already present that empower the Election Commission of India. There is also a draft bill called the Political Parties (Registration and Regulation of Affairs, etc) Act, 2011, but due to lack of public pressure, nothing concrete has been done so far. This is an area of great importance for reforms and advocacy.
- D. Reforms in recruitments and functioning of the Bureaucracy, Police and Judiciary to get rid of current practices of patronage and favouritism:** Indian bureaucracy, police and judiciary have always been in the eye of the storm due to many reasons ranging from their irrelevance to inefficiency to corruption. Various reports from periodic studies and commissions have made many recommendations, which have not been implemented. As the Second Administrative Reform Commission (ARC) Reports point out and also as ground realities suggest, our bureaucracy, police and judiciary have yet not been aligned with new constitutional (now three levels of governments: union, state and local) realities. They are also not compatible with the fast changing socio-development needs of the Indians. In addition to the demand for implementation of second ARC report, focus should be also on addressing rampant corruptions in recruitments in bureaucracy, police and judiciary.
- E. Restructuring of archaic taxation rules and public procurement rules to make them more inclusive, transparent and corruption free:** Constitution of India empowers governments (union, state and

local) for taxation. Therefore each tax levied or collected has to be backed by an accompanying law, passed either by the Parliament or the State Legislature. Taxes are must for wellbeing of any country and its citizens. But India needs to reform its current tax-system which is corruption laden and inefficient. Tax rules and regulations must be citizen-centric and transparent. Use of IT and e-governance must minimize human discretion and control in tax assessment and collection. Tax authorities must be accountable to public scrutiny for their acts. Public Procurement Bill 2012 should be enacted and implemented in a transparent manner. Civil society must also pay attention to problems in taxation regimes and corruptions in public procurements to reduce corruptions in governance.

- F. Civil Society must be made accountable by providing it clear-cut roles in undertaking innovations and supporting periodic policy reforms for inclusive and participatory development:** It is unfortunately true that a large number of NGOs across the country indulge in corrupt practices and do not furnish their financial details to citizens and the government. There should be provisions in rules and regulations aimed at protecting, nurturing and accordingly making civil society accountable to citizens and the authorities under the constitution of India. Civil society on its part must seriously think of action against those NGOs whose action defame and demean the high credibility of the voluntary sector.
- G. Private business must make profit in transparent and accountable manner and all its policies and programmes must mandatorily follow 10 principles of UN Global Compact (UNGC):** Currently there are no clear-cut and legal frameworks for ensuring accountability of private sector towards the UNGC principles. It must be made mandatory, with clear-cut measurable indicators, for all profit making organizations to follow the principles of UNGC in their actions on- and off- the field.

## LIST OF VANI PUBLICATIONS

- Civil Society Accountability Principles and Practice (India Toolkit) (English)
- Enabling environment for Voluntary Organisations A Global Campaign (English)
- Model Policies for International Good Governance in Voluntary Organizations
- The Hand Book in Good Governance for the Voluntary Sector
- Status of the Voluntary Sector in India A Report
- Status of the Voluntary Sector in India (Primer) English & Hindi))
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- Enabling Environment of the Voluntary Sector in India A Study Report (English)



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HBF understands itself as a green think-tank and international policy network, working with governmental and non-governmental actors and focusing on gender equity, sustainable development, and democracy and human rights.

With a presence in New Delhi since 2002, the HBF India office coordinates the interaction with stakeholders and partners in the country. Its programme focus areas include climate and resource policy, socio-economic policy from a gender perspective, the dynamics of democracy, and India's role in the new global order."

#### About VANI



Voluntary Action Network India (VANI) is an apex body of the Voluntary Organisations.

- Founded in 1988 to act as a promoter/Protector and collective voice of the voluntary sector.
- Base of 8000 non-governmental organisations spread in 25 states of India.
- Resource Centre for publications, research work, articles, important documents and information about and related to the voluntary sector.

#### **Objectives:**

- As a platform, to promote voluntarism and create space for voluntary action.
- As a network, attempt to bring about a convergence of common sectoral issues and concerns for building a truly national agenda of voluntary action in India. In addition, facilitate linkages of various efforts and initiatives of the Indian voluntary sector, which succeed in strengthening a united and sustainable movement of change.
- An an association, work towards fostering value based voluntary action and long term sustainability especially amongst our members.

#### **Areas of work**

- Promoting practices of good governance in the voluntary sector.
- Strengthening networks
- Articulating independent voices of the sector.
- Research and advocacy of policies and law effecting the voluntary sector.

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