

# **MOBILIZING CIVIL SOCIETY: NGO INITIATIVES TO FIGHT CORRUPTION AND PROMOTE GOOD GOVERNANCE IN THE INDIAN CONTEXT**

**S.D. Sharma**

**Vice-Chairman, Transparency International India & Working  
Chairman, Lok Sevak Sangh**

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## **I. INTRODUCTORY**

1. The term "Governance" is defined by UNDP as "the exercise of political, economic and administrative authority to manage a Society's affairs". 'It is a broad concept that is concerned directly with the management of the development process involving both the public and the private sector. Governance is about the institutional environment in which the citizens interact among themselves and with government agencies and officials'.

2. Good governance, in the words of Lord Denning, is "the protection of life and liberty and the promotion of the pursuit of happiness". Good governance is the best attained in the environment of political democracy that is vibrant, dynamic and participatory.
3. India, with about 5,000 years of civilization and known history, is the largest democracy of the world, with a population of 980 millions and an electorate with adult franchise of about 600 millions. India, despite all divisions and differences of religion, caste, language, ethnicity and culture, and despite its poverty and illiteracy, subscribe to and believes in Democracy, both as a system of government and a way of life. However, our democracy is still nascent and we have a long way to go, though we have held 12 general elections during the last 50 years of our independence from alien rule, and are now preparing for the unexpected mid-term 13<sup>th</sup> general election to the Parliament (Lok Sabha-House of the People).
4. Our burgeoning population has tended to negate whatever significant advances we have made in agriculture and food production, in science and technology and trained technical man power, in higher education etc.. Nevertheless the gigantic and daunting tasks of tackling grinding poverty, unemployment, illiteracy, health, environment, etc., are being addressed by our Union and State Governments and the Civil services. Unfortunately our efforts are often thwarted by all pervasive corruption in politics, bureaucracy and business.
5. There are few thousand genuine, competent and dedicated non-governmental organizations (NGOs) of voluntary citizen workers, representing the Indian civil society and spread all over the country, who lend their cooperation and care, thrust and drive and provide personal touch and a human face to the national endeavor in social and economic spheres.
6. In this paper, we have briefly referred to four such NGOs and their initiatives, apart from our own Lok Sevak Sangh and Transparency International India. There are occasions when the NGOs concerned have to insist on transparency, moral integrity and accountability of the elected representatives and call the bureaucracy to account and shed their hangover of the colonial era and do their duty to the people. On such

occasions, these NGOs have to pay the price that must be paid for their convictions, in order to ensure integrity and fairness in governance. We entirely agree with what John W. Gardner of USA in "Citizen Action and How It Works in Common Cause", says so eloquently -

"Institutions don't overhaul themselves. They find it painful. When an institution is in need of renewal, someone must shake it up. In the case of political institutions, the shake up must come from concerned citizens determined to bring the parties to life, determined to cut through organizational dry rot and revitalize ageing institutions."

## **II. GOOD GOVERNANCE**

The basic criteria or yardstick for good governance may be summarized as under:-

- (1) Rule of Law, equality before law and timely justice.
- (2) Independence of judiciary and its freedom from the control of political executive.
- (3) Freedom of the Press and electronic media including Citizens access to information.
- (4) Respect for human rights, civil liberties and dignity of the individual.
- (5) Free, fair and timely elections.
- (6) Equality of economic opportunity and delivery of services to which the citizen is lawfully entitled, without bribery, harassment or inordinate delay.
- (7) Transparency, moral integrity and accountability of elected representatives and administrators.

## **III. COMBATING CORRUPTION TO PROMOTE GOOD GOVERNANCE - CORRUPTION OF POLITICAL LEADERS**

1. Corruption is one of the principal threats to democracy, growth and equity. It distorts public services, deters investment, discriminates against the poor and destroys public confidence in democratic

governments. **'Corruption is equal to monopoly plus discretion minus accountability'**. Corruption is to be fought at all levels, viz. (a) high level corruption of elected representatives, electoral corruption and corruption of the political executives, (b) civil services and (c) private sector trade and industry.

2. Political corruption in high places is the mother of all corruptions. The Lok Sevak Sangh and Transparency International India have been jointly conducting relentless campaigns to control and eliminate political corruption in India because, unless this is done, there is no way of controlling at the lower micro level. It has been aptly said that for cleaning a staircase, one has to begin at the top. Consequently, the following charter of seven demands has been presented to the Parliament and the Government of India:-

- (i) Appointment of Lok Pal (Federal ombudsman) with authority to probe charges of (a) corruption, (b) abuse of authority and (c) accumulation of ill-gotten wealth i.e. assets far in excess of known sources of income.
- (ii) Compulsory Audit of Political Parties' accounts.
- (iii) Plugging loopholes in the law relating to defection i.e. crossing the floor by M.P.s and Members of State Legislatures (generally for office and / or money), by renouncing allegiance to the Party on whose ticket they were elected.
- (iv) Compulsory declaration of assets by MPs and Ministers, including the Prime Minister, and other senior public functionaries.
- (v) Electoral reforms to eliminate money power and ministerial power which distorts the democratic process.
- (vi) Debarring individuals, who may have corrupt or criminal antecedents, from contesting elections.
- (vii) Citizens Access to information.

3. Taking up a few of the above issues very briefly: Re: appointment of Federal Ombudsman (Lok Pal), the latest development is that the Government having failed to finalize the Parliamentary Ombudsman Bill, the Lok Sevak Sangh and Transparency International India have, in a bold initiative, constituted a People's Ombudsman Commission as described in their recent Press Release below which received wide publicity:-

"The dilatory and vexatious manner in which our political leadership has handled the Lok Pal Bill, 1998, is simply appalling. The nation has waited for 30 years for the Lok Pal inspite of solemn commitments repeatedly made by all major political parties in their manifestos. Certain MPs have now declared that there is no need for any Lok Pal as they are covered under the Prevention of Corruption Act. It was only after the prevention of corruption act and the Indian Penal Code were found to be ineffective to curb political corruption that the Lok Pal Bill was mooted, introduced six times in the Lok Sabha but never allowed to be passed. The Lok Sevak Sangh and Transparency International India, non-government, non-party organizations, comprising of freedom fighters, retired senior civil and defence officers, NRIs and other concerned citizens, about one thousand, devoted to constructive work, corruption-free polity and good governance, have constituted a People's Lok pal Commission with effect from 31<sup>st</sup> March 1999. This non-official Judicial commission will consist of four retired senior judges viz justice R.S. Narula, former Chief Justice of Punjab and Haryana High Court, Justice T.U. Mehta, former Chief Justice of Himachal High Court, Justice H.L. Anand, former Judge of Delhi High Court and Justice Kamleshwar Nath, former Judge of Allahabad High Court.

Any citizen or institution aggrieved by the corruption, abuse of authority or accumulation of wealth far in excess of known sources of income, by any Member of Parliament or Union Minister, may file a complaint with Lok Sevak Sangh or TI India, backed by a duly sworn affidavit. The Citizens Vigilance Committee of LSS and TI India, inspite of obvious limitations, shall have the matter thoroughly investigated and also give every opportunity to the person complained against to give his version, and then present the case before the People's Lok Pal Commission. If the Commission finds that a prima facie case has been made out justifying a trial, the Vigilance

Committee shall go to the government or the Supreme Court for redress. All proceedings of the non-official judicial panel shall be transparent and open to the public. If not timely redress is forthcoming from any quarter, the Lok Sevak Sangh shall launch **Satyagraha in the Ghandian way.**

The Lok Sevak Sangh, the Transparency International India and their supporting like-minded NGOs have decided not to tolerate any longer the continuance in Parliament or Union ministry of any person who is corrupt or against whom a law court has framed a charge-sheet in any criminal case involving moral turpitude. Unless political corruption is eradicated there is no hope of rooting it out in bureaucracy or trade and industry".

4. Criminal proceedings are now continuing in various courts of law against a former Prime Minister, former Cabinet Ministers and State Chief Ministers. Apart from these cases, the first case which the People's Ombudsman Commission has taken up is the allotment of petrol and gas outlets to individuals sought to be favoured by the Central Ministry of Petroleum in India. To root out nepotism and corruption, five regional centers were constituted headed by retired senior High Court Judges for allotment of these highly profitable sale outlets strictly on merits. However, the senior bureaucrats, obviously under instructions of the Minister in charge, started conveying telephonic instructions whom to appoint and whom to eliminate. As a result, the High Court Judges heading all the five regional centers of allotment, have submitted their resignations. The People's Ombudsman Commission, after giving due opportunity to the errig high level functionaries shall now proceed in this matter according to the procedure outlined in the foregoing Press Release.

#### **IV. CORRUPTION IN CIVIL SERVICES**

1. The machinery to deal effectively with the corruption in the ranks of government servants at various levels has been strengthened by the statutory appointment of the Central Vigilance Commissioner in India. Wide powers have been given to him with independent functioning free from governmental interference. This has been brought about by a

Supreme Court judgement in the well known Hawala (Foreign exchange) scandal case, involving several senior politicians and bureaucrats during the course of a Public Interest Litigation (PIL) filed by a fraternal NGO headed by crusading journalist Vineet Narain. While the politicians have gone scot free due to technical flaw in the evidence presented to the court, a few are now undergoing criminal trials.

2. While it is more difficult to prove a case of bribery or corruption (since both the giver and the taker benefit at the cost of the national exchequer and the poorer people), it is comparatively easier to pin point the acquisition of illegal wealth by the corrupt despite their covering up the tracks. A significant fool-proof legislation has been prepared by the Law Commission of India, under the chairmanship of Justice B.P. Jeeven Reddy, former judge of the Supreme Court, providing for the Forfeiture of illegally Acquired Properties of Public Servants. If the fruits of corruption are denied to the corrupt, the tendency to engage in corruption will be drastically reduced.
3. The landmark legislation will now come up before the next Parliament and government in October 1999. All out efforts are being made, in close contact with the Law Commission of India, by the Lok Sevak Sanh and TI India along with a group of several supporting NGOs to ensure that the bill during its passage in Parliament is not diluted or unduly delayed. The salient features of this important bill are given below:-

"It may be recalled that the Supreme Court in 1996 observed that a law providing for forfeiture of properties acquired by holders of public office by indulging in corrupt and illegal acts was a crying necessity. This decision is the moving force behind the law Commission's proposal.

The Law Commission has observed that corruption is threatening the very security and safety of the State. In the Commission's view, one of the essential requirements of good governance is the absence of corruption. The Commission has observed that the Prevention of Corruption Act and indeed the criminal justice system in India have failed to effectively deal with the canker of corruption, for the number of prosecutions under the Prevention of Corruption Act is quite low and the

high-ups are able to escape from the clutches of law due to long-drawn proceedings.

The Commission has noted that though there is a provision for forfeiture of properties under the Prevention of Corruption Act, nothing can be done unless a person is convicted under the Act. The Commission further notes that even under the Prevention of Money Laundering Bill, 1998, the confiscation of proceeds of crime is possible only after a person is convicted of an offence mentioned in the Schedule. The Schedule to this Bill does not include the offence of possession of disproportionate assets.

In proposing a legislation for forfeiture of property of public servants, the Law Commission has relied on the scheme of the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 (popularly known as SAFEMA).

The legislation proposed by the Law Commission would reach not only properties of the public servants, but also assets or properties in the hands of relatives or associates of such public servants.

The proposed law contemplates issuance of a show cause notice to public servants believed to be holding or in possession of illegally acquired properties to explain and establish that those properties have been acquired by lawful means. The burden of proving this act is placed upon the public servant. The Competent Authority namely, the Central Vigilance Commissioner and other Vigilance Commissioners, will have the power to call upon any public servant believed to be in possession of illegally acquired properties to disclose, by affidavit, the properties held by him, his relatives and associates. Refusal to disclose or false disclosure entails punishment of imprisonment. Indeed, the contemplated law would make the very holding of or possession of illegally acquired properties an offence punishable with imprisonment, in addition to forfeiture of such properties.



The proposed Bill confers all necessary powers upon the Competent Authority. They include power to call upon a public servant to disclose the properties held by him, his relatives and associates, whether held in India or abroad. Power is also given to him to attach the properties of a public servant (his relatives and associates). The C.A. also has the power to call upon any authority to conduct necessary enquiry and investigation or conduct raid, inspection or survey and seizure. The very holding of illegally acquired properties is made a punishable offence with the result that the Competent Authority can take proceedings for identifying and seizing the assets stashed abroad by corrupt public servants including ministers and MPs, both past and present".

## **V. CITIZENS ACCESS TO INFORMATION**

1. The right of the citizen to demand information from the government departments, government undertakings, municipal and local-self government institutions and/or from any organization which is substantially financed or controlled by government, is sought to be brought on the statute book in India and necessary legislation will be passed soon after parliamentary elections are over and a new government is installed. The citizen's right to information is the soul of transparency and when conceded, will improve the quality and ethics of decision making by the authorities concerned.
2. Of the ten least corrupt countries in Transparency International's Corruption Perception Index, eight countries have good legislation in place for access to information. On the contrary, of the ten most corrupt countries in the TI's corruption index, including India, Pakistan, China, etc. not a single country has any legislation for Citizens Right to Information. The link between corruption and denial of governmental information is thus obvious.
3. We have studied carefully the citizens access to information legislation in USA, Canada, Sweden, etc., and also in one State of India, Goa, where a law for access to information has been enacted. We propose to ensure that an effective All India Legislation is soon to put in place.

4. Mention must be made here of the commendable initiative at the grass root level taken by Mazdoor Kissan Shakti Sangathan (MKSS) of Rajasthan, India. "The pivotal role of the right to information in empowering poor communities was highlighted dramatically by the pioneering work of the people's organization, Mazdoor Kissan Shakti Sangathan (MKSS) in *Rajasthan*. Confronted with pervasive and unrelenting corruption in famine relief and rural development works, the organization demanded and secured copies of muster rolls, bills and vouchers, and organized social audits of these works in village community public hearings. The astounding success of this village level campaign in fact provided the essential spark for the national movement for right to information.

"This courageous initiative of the MKSS in Rajasthan highlighted the importance of right to information in the context of rural development programmes. These programmes are designed in theory to provide self-employment, wage employment, shelter and basic facilities to the poorest families in villages across the country. Repeated evaluations have shown that only a fraction of expenditures by central and state government on these poverty alleviation programmes actually reach those for whom these programmes are intended".

## **VI. VOTERS EDUCATION AND EMPOWERMENT**

1. Mahatma Gandhi, Father of the Indian Nation, while advocating in the true democratic spirit, the adoption of adult franchise i.e. the right to vote to all citizens regardless of their illiteracy and poverty, had emphasized the imperative need for Voters Education. It was hoped that the political parties, in the course of various elections taking place from the village level up to Parliament, would devote themselves to the task of voters education. However, this education was imparted by the Parties on partisan lines for their own benefit. Several NGOs, not aligned to any political party, in India have taken up this important work.
2. The Lok Sevak Sangh and TI India have called upon political parties not to allot tickets to candidates who are known to be corrupt or who may have been charge-sheeted in a court of law for offences involving moral turpitude. Thereafter we, along with our several supporting NGOs, shall go to the Candidates standing for election and ask them to respond to a

searching Questionnaire or Report Card regarding their assets, unpaid dues to government or nationalized banks, criminal cases if any pending in courts, record of public service rendered etc. Adverse presumption shall be drawn by the voters against those candidates who choose not to respond. The information collected in response to the questionnaire shall be disseminated among the voters of the constituency concerned to enable them to make an informed choice.

3. Lastly, all the aforesaid NGOs shall go to the voter in their respective regions with a joint appeal and call upon him first that he must go to the polling booth to exercise his valuable franchise so that a wrong candidate may not get elected by their default to vote. Second, that he should never vote for any candidate who may be known to be corrupt or who may have criminal antecedents and third that he should not vote on the ground that the candidate belongs to his particular religion, caste, language but vote for a candidate whose loyalty is to the Nation as a whole and not to any sectarian group. This shall be a continuing programme for voters education as elections from the level of rural village councils to urban municipalities and provincial legislatures as well as Parliament are being held all the time.
4. Mention must be made here of a fraternal NGO, the Public Affairs Centre at Bangalore (South India) for pioneering the CRCP (Choose the Right Councilor Programme) for Bangalore Municipal Corporation. Their object was two-fold -"One, to make the electoral process more transparent so that the electorate can make an informed choice and two, to create a demand within the civil society to mobilize opinion and act to re-vitalize the polity and society". This programme is now being projected for implementation on a much wider scale by many NGOs in their respective regions who are not aligned to any political party or sectoral group and are therefore considered more credible in the eyes of the voters.

## **VII. ELECTORAL REFORMS TO ELIMINATE ELECTORAL CORRUPTION AND MISUSE OF MONEY, POWER, ETC.**

1. After a great deal of deliberations and consultations with experts in this field, the Lok Sevak Sangh and TI India have formulated detailed

recommendations for ensuring that only the best available persons of character and competence are elected to Parliament and provincial legislatures. These recommendations will now be placed before the Parliament soon after the general elections to be held in September/October 1999. A summarized version of the same is annexed hereto (1).

## **VIII. OTHER IMPORTANT PROJECTS AND PROGRAMMES**

### **A. Promotion of moral and ethical Education in Indian schools including education for good citizenship and democracy.**

A corruption-free leadership cannot arise from a corrupt citizenry. Therefore, we have to begin at the beginning. The Lok Sevak Sangh and TI India are now going ahead with the task of promoting, in the schools in Delhi, (the capital of India), to begin with, Moral and Ethical Education (not confined to any particular denominational religion), including education for good citizenship and democracy.

In this connection the following statement issued by the "Transparency for Growth Conference" by the Council of Presidents and Prime Ministers of the Americas (Carter Centre anti-corruption conference, USA) as recently as May 5, 1999 may please be noted

"In closing, we want to emphasize the need for ethical values not only in government but in business, journalism, banking and indeed every walk of life. Perhaps most important are the messages we convey to our children through education in schools and churches, as it is they who will pay the price if we fail to act now to stem this ill".

### **(B) Micro level corruptions : Citizen Charters.**

Leaving aside the rich and the powerful, it is our said experience that where ever a common man comes in contact with any government department or public utility, he is compelled to either pay a bribe or speed money or in subjected to harassment and inordinate delay. The LSS and TI India are engaged in consultation with the Central Government Departments at Delhi,

in preparing Citizen Charters detailing the services which the government department or public utility undertakes to render, the time frame for each such service, the government officer to be contacted and some fool-proof remedy open to the hapless citizen if the service, to which he is lawfully entitled, is not forthcoming. In this connection we have borrowed from the consumer protection systems now operating effectively in U.K.

### **(C) Rural Development Centres**

Realizing the gravity of the situation faced in rural India in respect of abysmal poverty, extreme illiteracy and poor health, the Lok Sevak Sangh had adopted a cluster of villages near Delhi and established a model Rural Development Centre there for: -

- (i) Charitable Medical Clinic including Family Planning Unit.
- (ii) Rural Literacy Centre with a rural girls vocational polytechnic.
- (iii) Income generating projects for rural youth employment in rural settings without their migration to the already over-crowded cities of India.
- (iv) Rural Senior Citizen Home for the poor and needy.

### **(D). Codes of Conduct or Ethics**

The Lok Sevak Sangh and TI India are advocating the adoption of Code of Conduct or Ethics for the ministers and MPs on the one hand and the Citizens on the other. In this context, parliamentarians in India are being approached for adoption and implementation of the Code of Conduct prepared by Lord Nolan Committee as given in the appendix of this Paper (II). Regarding the citizen, article 51A of the Constitution of India defines the Duties of Indian Citizen, as annexed hereto (III). Regarding trade and industry, TATAS, the leading industrial house in India, have sent us a Code of Conduct adopted by their companies. We are approaching various Chambers of Commerce and Industry in India for their members to adopt and implement a Code similar to that of TATAS as annexed hereto (IV).

### **(E). Public interest litigations for the redressal of public grievances**

In this connection we like to mention the achievements of our fraternal NGO at Delhi, the well known COMMON CAUSE as under.

"COMMON CAUSE as a public interest organization has to its credit a large number of public causes which have been taken up by it for redressal of problems of the people. Almost four million pensioners benefited from three important decisions which the organization secured from the Supreme Court some years ago, in relation to extension of liberalization of pension, restoration of commutation of pension, and extension of the scheme of family pension. The important case relating to Delhi Municipal Corporation Property Tax, decided at its instance by the Supreme Court, helped to straighten out the problems of the levy and assessment of this tax. Writ petitions on various important issues have been filed by COMMON CAUSE IN THE Supreme Court and Delhi High Court. The Writ Petitions filed in the Supreme Court include, for instance, disruption of the work of courts by lawyers' strikes, problems of accumulated backlog of cases in courts all over the country, malfunctioning of blood for transfusion purposes, challenging the pension being given to Members of Parliament, inadequacies in the implementation of Consumer Protection Act, problems arising from the accumulation of Non-Performing Assets (NPAs) of Banks, the factum of hundreds of thousands of small investors having been defrauded by Finance Companies, and failure of the government machinery in fulfilling the constitutional requirements of spreading free and compulsory education for the children in the country".

### **(F) Mobilizing Civil Society**

For promoting the various projects and programmes initiated by Lok Sevak Sanh TI India (some of which have been mentioned in this Paper), we are organizing LSS / TI India chapters in each state of India, about 21 in all. These chapters shall consist of social activists and senior public spirited citizens, not aligned to party politics or sectarian interests. Wherever dedicated NGOs of the type mentioned by us in this Paper are already functioning, we shall support them instead of duplicating or creating another structure. In other cases we shall do our best to promote and support bonafide NGOs.

In this connection we may report a significant development regarding the formation of an Association of Indian Citizens Voluntary Organizations. To begin with, like-minded NGOs in Delhi including Lok Sevak Sangh and TI India have enrolled themselves as members: many more NGOs will be joining this Association on an all India basis. The object is that in matters of national importance affecting the entire country, the collective voice of a large number of NGOs can be placed before the public, government and the parliament for speedy and effective action, instead of each NGO struggling in its own way, with its limited resources.

### **(G). THE ROLE OF NGOs AND SATYAGRAHA**

Civilization have crumbled, governments have fallen, leaders have sometimes robbed their own people and fled with the booty to foreign lands - all because of corruption and the incapacity of the people at large to assert their will and resist the evil of corruption. This can best be done by NGOs or CVOs (Citizens Voluntary Organizations) who are not aligned with any political party or sectoral interests, nor interested in political power or position for themselves, by exercising selfless vigilance, which is the price of liberty - The office bearers and managing committee members of such NGOs have to practice in their own lives what they preach to others. Under all circumstances they have to be above board and also appear to be so.

Situations can arise, particularly in developing countries, when the protecting hedge starts eating the crop, when elected leaders become corrupt and start abusing authority for themselves or for their favorites, when no legal remedy is available, when public opinion is unable to assert itself and finds itself helpless, when the required laws are either not enacted or, if enacted, are not honestly implemented, what then are the people to do? In such situations the remedy suggested by Mahatma Gandhi is Satyagraha (insistence on truth by self-suffering), to be undertaken by the office bearers and concerned members of the NGOs/CVOs, without any hatred, violence or ill-will against the wrong doers.

## **ANNEXURE (I)**

### **Summary of Recommendations for Electoral Reforms**

1. Every candidate standing for election to Parliament or Provincial Legislature must conform to certain minimum qualifications and standards viz.-
  - A. The candidate shall have passed the graduate academic examination in Arts or Science, Commerce, Law, Engineering, Medicine, etc. from a recognized University or College or hold equivalent educational qualification.
  - B. There shall be no final demand of Income Tax, Sales Tax, or any other Statutory liabilities to governmental organizations, Scheduled Banks, etc., outstanding against the candidate.
  - C. There shall be no criminal case pending against the candidate involving moral turpitude, in which a law court may have taken cognizance and framed a charge-sheet, on the date of filing the nomination paper nor shall he have been convicted of any such offence under the Prevention of Corruption Act, during the six years prior to his seeking election. The candidate shall not have been indicated by any judicial Commission of Enquiry or held guilty of corrupt practice under the Representation of People Act, during the six years prior to his filing nomination.
  - D. He shall not have been held guilty of defection (floor crossing) during the six years prior to his filing the nomination paper.
  - E. The candidate's age shall not be more than 70 years at the time of filing his nomination paper. He shall not stand for election from more than one constituency.
  - F. If a new entrant, the candidate shall have rendered at least one year's constructive public service of a verifiable nature, in social, educational, cultural, or political field.



- G. These minimum qualifications and norms shall be applicable to candidates for all Legislatures including the nominated members. If contesting for the Rajya Sabha (Upper House), the candidate shall be a bonafide resident of the State concerned.
1. While filing nominations for election, the candidates must disclose all details regarding (a) their income, assets and liabilities, (b) pending and/or decided civil & criminal cases against them in law courts and (c) other particulars in the prescribed proforma, failing which their nomination papers to be rejected.
  2. Political Parties and Candidates to comply and conform to the Code of Conduct: Statutory effect to be given to the Code as applicable to the Party in Power to prevent misuse of office to influence elections.
  3. Political Parties to maintain accounts, which should be compulsorily audited by Accountants appointed by the election Commission and the Audit Reports to be accessible to the Public.
  4. State Funding of elections in kind for candidates of recognized political parties and candidates.
  5. Corporate Sector to be barred from contributing to political parties and candidates.
  6. Individuals may donate to Party funds and/or to candidates subject however to realistic ceilings or such donations.
  7. Funds from foreign countries or foreign sources for election purposes and propaganda to be completely barred.
  8. State to take adequate steps to prevent violence, impersonation and intimidation during elections.
  9. Governments should step down three months before the elections which should be held under a neutral, non-political administration.

10. All members of Parliament & Provincial Legislature to declare their assets every year and such declarations to be accessible to the public.
11. Defections or Floor Crossings to be barred; elected members wishing to change their Party must resign and seek fresh mandate from their electorate.
12. Right of Re-call to vest in the electorate subject to strict rules to avoid perpetual elections.
13. Referendum to be conducted by Government on vital matters of policy not covered in their Party manifesto or clearly inconsistent with it.
14. Parliamentary Ombudsman or Lok Pal to be appointed for investigation of complaints regarding corruption, bribery or abuse of authority by Members of Parliament and Ministers including the Prime Minister, the Ombudsman's findings to be respected by the Government and Parliament.
15. Elected parliament to continue for its full statutory term; Government may be changed by either a constructive vote of no-confidence (German System) or by the entire House electing the Prime Minister to form the Government.
16. Election to be valid should have at least 33% of the total registered voters in a constituency voting in the poll; the top-most two candidates in the first poll to go in for re-poll, so that the final winning candidate represents at least 50% or more of the valid votes polled.

## **ANNEXURE (II)**

### **Draft Code of Conduct for Members of Parliament (Nolan Committee, UK, 1995)**

***General Principles*** - It is personal responsibility of every member of Parliament to maintain those standards of conduct which the House and

the electorate are entitled to expect, to protect the good name of Parliament and to advance the public interest.

Members should observe those general principles of conduct which apply to all people in public life. These are set out herein and should be incorporated into the final code.

The primary duty of Members is to their country and their constituents. They should undertake no actions in Parliament which conflict with that duty.

Because Members of Parliament enjoy certain privileges in law, which exist to enable them to fulfil their responsibilities to the citizens they represent, each Member has a particular personal responsibility to comply fully with all resolutions and conventions of the House relating to matters of conduct, and when in doubt to seek advice.

**Final Interests -** A Member must not promote any matter in Parliament in return for payment.

A Member who has a financial interest, direct or indirect, must declare that interest in the currently approved manner when speaking in the House or in Committee, or otherwise taking part in Parliamentary proceedings, or approaching Ministers, civil servants or public bodies on a matter connected with that interest.

Where, in the pursuit of a Member's Parliamentary duties, the existence of a personal financial interest is likely to give rise to a conflict with the public interest, the Member has a personal responsibility to resolve that conflict either by disposing of the interest or by standing aside from the public business in question.

In any dealing with or on behalf of an organization with whom a financial relationship exists, a Member must always bear in mind the overriding responsibility which exists to constituents and to the national interest. This is particularly important in respect of activities which may not be a matter of public record, such as informal meetings and functions.

In fulfilling the requirements on declaration and registration of interests and remuneration, and depositing of contracts, a Member must have regard to the purpose of those requirements and must comply fully with them, both in letter and spirit.

## **THE SEVEN PRINCIPLES OF LIFE**

***Selflessness*** - Holders of public office should take decisions solely in terms of public interest. They should not do so in order to gain financial and other material benefit for themselves, their family, or their friends.

***Integrity*** - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organizations that might influence them in the performance of their official duties.

***Objectivity*** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holder of public office should make choices on merit.

***Accountability*** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

***Openness*** - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

***Honesty*** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

***Leadership*** - Holders of public office should promote and support these principles by leadership and example.

*These principles apply to all aspects of public life. The Committee has set them out here for the benefit of all who serve the public in any way.*

## **ANNEXURE (III)**

### **FUNDAMENTAL DUTIES OF AN INDIAN CITIZEN**

**Article 51A of the Constitution "It shall be the duty of every citizen of India -**

- (a) to abide by the constitution and respect its ideal and institutions, the National Flag and the National Anthem;**
- (b) to cherish and follow the noble ideals which inspired our national struggle for freedom;**
- (c) to uphold and protect the sovereignty, unity and integrity of India;**
- (d) to defend the country and render national service when called upon to do so;**
- (e) to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities; to renounce practices derogatory to the dignity of women;**
- (f) to value and preserve the rich heritage of our composite culture;**
- (g) to protect and improve the natural environment including forests, lakes, rivers, and wild life, and to have compassion for living creatures;**
- (h) to develop the scientific temper, humanism and the spirit of inquiry and reform;**
- (i) to safeguard public property and to abjure violence;**

**to strive towards excellence in all spheres of individual and collective activity, so that the nation constantly rises to higher levels of endeavor and achievement".**

## **ANNEXURE (IV)**

### **Tata Companies Sign Code of Conduct**

**The Lok Sevak Sangh & Transparency International India commend this Tata's Code of Business Ethics for adoption and implementation by all our business firms and corporate sector - Editor**

The country's leading industrial group, the House of Tata, last week notched another milestone in its pioneering history by formally adopting a Tata Code of Conduct in seven of its major companies. In a short and sober ceremony on December 18, Mr. R.N. Tata, Chairman, Tata Sons, signed the Code with Tisco, Telco, Tata Tea, Tata Chemicals, Tata Electronic Companies, Tata International and Tata Industries. A similar agreement was also signed with the divisions of Tata sons. Together, these companies, and divisions represented 66% of the group's turnover in 1997-98.

Speaking on the occasion, Mr. Tata underlined the importance of the event by declaring: "Of all the various initiatives that we have undertaken in recent years, the development of this Code is perhaps the most significant". Referring to the trust enjoyed by the Group among its stakeholders and in the community, Mr. Tata added: "The formalization of a Code of Conduct is a testament to the value we attach to this asset and our determination to aid in every way our companies and employees to understand where their duties lie in any situation".

The adoption to the Code renews the Tata commitment to the values of excellence and leadership with the objective of delivering maximum value to all the stakeholders. This commitment is central to the Group's resolve to face the challenges of the emerging era of global competitiveness. By codefying and clarifying the values to which the Group formally commits itself to, the Code is giving to its companies and its staff the clarity of purpose required to deal with an environment in which the only certainty is change and speed of action is essential in dealing with the process of change.

## **CODE OF CONDUCT**

The Tata Code of Conduct is in two parts: for the company, and for the employees. The Code enjoins the signee companies to:

- To supply goods and services of the highest quality standards to ensure the total satisfaction of customers.
- To engage only in activities beneficial to the national interest of the country they operate in:
- To be fully transparent in accounting and financial reporting standards;
- To fully strive for the establishment and support of a competitive open market economy and to abhor unfair trade practices;
- To be equal opportunity employers;
- To neither give nor take any illegal payment, remuneration, gift, donation or comparable benefit to obtain business or favours;
- To not give any donation to any government agency or its representatives to obtain any favorable performance of official duties.
- To not support any specific political party or candidate for political office.
- To comply with all regulations regarding the prevention of the environment.
- To be a good corporate citizen, and to actively assist in the improvement of the quality of life of the community with the objective of making it self-reliant. These social activities are regarded as an integral part of their business plans, and not as an optional part.
- To cooperate and share physical, human and management resources with other Tata companies so long as this does not adversely affect its business interests and shareholder value.

## THE CODE ENJOINS TATA EMPLOYEES TO:

- Conduct themselves professionally with professionalism, honesty, integrity as well as high moral and ethical standards and to be fair and transparent and to be seen so by third parties;
- Not derive any benefit from any information about the Company or Group which constitutes inside information;
- Report to the management any actual or possible violation of the Code or an event that the employee becomes aware of that could affect the business or reputation of the employee's Company or any other Tata Company;
- Permits employees to pursue and active role in civic or political affairs as long as it does not affect the business or interests of the Company or the Group.

9/30/99 M