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World Economic Forum
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The Forum wishes to acknowledge the collaboration with the UN Global Compact, Transparency International, UN Office on Drugs and Crime and the Organisation for Economic Co-operation and Development

Anti-Corruption Workshop on India

Is India at a tipping point in the fight against corruption? Public interest in changing the status quo around corruption has never been higher. The legal and regulatory framework for addressing the problem of corruption in India is well developed. However, lack of enforcement is often cited as a major impediment to promoting real change, especially in the business environment. Moreover, lack of coordination and conflicting mandates between the different actors – business, government, civil society – reduce the effectiveness of anti-corruption and transparency measures. Additional key anti-corruption legislation has been held up for years, sometimes decades, leading to a perceived lack of political will to tackle corruption at its highest levels. As a result, business development is impeded and economic growth weakened. Corruption, appropriately viewed as a strategic business risk, calls for a coordinated “architecture” to improve effectiveness of anti-corruption initiatives and engender transformational change in both business and government.

It was against this backdrop that the World Economic Forum, in collaboration with the OECD, the United Nations Office on Drugs & Crime (UNODC), Transparency International and the United Nations Global Compact, organized an Anti-Corruption Workshop on India in New Delhi on 12 April 2013.

The workshop provided a unique opportunity for participants to engage with peers from around the world and across industries – in a non-attribution working environment – to address anti-corruption challenges of mutual interest and to exchange views on the most important steps that business, government and civil society can take together to promote an action-oriented anti-corruption agenda.

Setting the Context

Elaine K. Dezenski, Senior Director, Head of Partnering Against Corruption Initiative (PACI), World Economic Forum, welcomed and briefed participants on the background to the workshop and its context within the worldwide fight against corruption.

Olajobi Makinwa, Head, Transparency and Anti-Corruption; Coordinator, Senior Civil Society, United Nations Global Compact, New York, also introduced the theme for the workshop, and pointed out that there have been calls to include good governance in the United Nations' post-2015 “Sustainable Development Goals” (SDGs).

The agenda for the workshop was informed by PACI and other organizations' ongoing work in reframing the struggle against corruption as one of value-creation for society – fighting corruption creates value for businesses and society, while trust among partners facilitates information-sharing and collaboration.

The high-level objectives of the workshop were identified as:

- Improving business-government alignment on anti-corruption;
- Changing the mindset surrounding the public debate about transparency and corruption;
- Exploring how leading organizations in India can advance collective action to create a level playing field.

Among the 44 companies from 11 countries that took part, 4 signatories to the Forum's Partnership Against Corruption Initiative (PACI) are based in India: Infosys, Genpact, Wipro and Mahindra & Mahindra. The workshop also included participants from 16 international organizations and key anti-corruption initiatives; 3 members of the Indian government; and 5 delegates representing the Board of PACI.



Opening Plenary: I to I – Indian to India

The opening panel discussion set the stage for the workshop, with Pranjal Sharma, Consulting Editor, *Businessworld India* and Member of the Global Agenda Council on India, moderating the panel. Panellists considered current government initiatives; the link between corruption and competitiveness; the challenges of engaging small and medium-sized enterprises in anti-corruption programmes; and the role of collective action in creating a genuine level playing field in India and beyond. A perception exists that although India continues to take steps forward, these efforts face challenges. Key points raised during the opening plenary are summarized as follows:

- No fewer than five anti-corruption bills are awaiting passage in parliament – but it is not so much the laws as their enforcement that has to be transparent. Institutions need to be firewalled from politics and partisan behaviour.
- Laws have “teeth” when they are seen to be implemented. Judicial reform is needed to speed up and process the thousands of cases pending in courts at all levels.
- Deregulation of trade, industry, infrastructure and other sectors is also partly aimed at eliminating corruption. But deregulation alone is not sufficient.
- Current civil society uproar against corruption has had a huge negative impact in that bureaucrats are refusing to sign any crucial decisions lest they be charged with ulterior motives.
- One key proposal often put forward – public funding of elections – cannot be implemented because of the workings of coalition politics, which result in frequent changes in government and frequent elections. In any case, India’s democracy constantly witnesses elections at village, state or federal levels and the exchequer cannot fund all of these.
- In the debate on corruption, few people talk about private corruption – how it treats and feeds bureaucracy. This is a classic case of individual rationality leading to societal irrationality.
- In the fight against corruption, the starting point should be to decrease the role of government, reduce its size and remove discretion. Above all, a change in attitudes is needed.
- Education from early childhood is needed to help people and society unshackle themselves from the mindset that accepts and feeds corruption.
- The threshold for tolerance of corruption is very high in India; it is a mindset and cultural issue of huge proportions. Citizens regularly indulge in income tax evasion, and continue to vote for politicians who are not only corrupt but often have criminal cases of rape, murder and extortion pending against them.
- Nevertheless, change is afoot and technology is playing an exceedingly important role in this.
- Corporate India still needs to stand up and be counted – for instance, only a handful of Indian companies have signed up to PACI.
- The IT/BPO industry provides a good example for other businesses – companies have walked out of states where politicians have demanded money. Such actions are not cost-free, but there are alternatives if a company believes that it is possible to do business without paying a bribe.
- Many government officials are not corrupt; greater effort is needed to identify and work with them.

- Corruption needs to be nailed at the bottom level, every day. New leadership against corruption needs to be built. Experience with e-governance in the state of Bihar, which has helped achieve impressive improvements in the delivery of public services, is a great example of how things can be done correctly.
- Some companies have learned over the years that it is possible to do business cleanly. Revenues, market share and earnings have all gone up after companies have carried out internal cleanups.
- The fight against corruption will require collective action. To achieve this, enough companies have to believe it; while companies that are doing it well have to talk about it.
- One possible solution could be voluntary disclosure to law enforcement bodies in exchange for assurances of leniency, or even amnesty. This would expose wrongdoers and help break the circle of bribe-seeking and giving.
- Technology is one of the most successful weapons in the war on corruption – 300 million Indians have access to the Internet, and technology is being leveraged to remove human interfacing and take away discretion from government processes. Railway bookings are a good example – the usurious middlemen of yore have been almost entirely removed.
- It is important to create awareness – from schools and colleges right up to corporate programmes. In this, collective action is very important. Here too, technology provides many answers, for instance, social media apps can be used to share experiences of doing business without paying bribes.
- Business leaders must come together and agree standards, perhaps in collaboration with bodies like the Securities and Exchange Board of India. Large MNCs and industry groups must create awareness programmes and disseminate them. They should avoid hiring agents and employ people who can be trained in ethics programmes.

The questions and comments from the floor touched on the panel themes: would decriminalizing bribe-giving in India, as suggested by a noted economist who has held a key advisory role in government, help to tackle corruption? Corruption is usually not among the top 10 issues in the electorate’s minds, so how will things change as long as corrupt politicians keep getting elected? What happens to SMEs that cannot survive without paying bribes? And why is there so little participation from SMEs in anti-corruption debates?



Break-Out Sessions

– Opportunities for Convergence

Following the opening plenary, participants engaged in smaller group discussions on the following topics: measures to improve business-government alignment; changing the cultural mindset around corruption; and achieving a level playing field through collective action.

Topic I: How can business and government best align to combat corruption?

- Globally, a “cartel of the good”, that includes national and international networks and business associations, could be formed for collective action against corruption. G20 and B20 engagements must be percolated down to businesses and governments and translated into action on the ground.
- Both business and government need to agree that both will do their part to stop bribery – a firm commitment from businesses not to offer bribes matched by a firm commitment from government officials to stop demanding them.
- Communication is key to avoid miscommunication and institutionalize collective understanding of core issues. India has good platforms for such interfacing, but these are erratic; a timeframe for regular meetings could provide a good starting point for this.
- In India, an India Integrity Pact run by the federal government has been established for public-sector companies; it requires chairpersons and chief financial officers to pledge that they will not engage in corrupt practices. It is optional for the private sector, but businesses must come up with similar or better systems for self-regulation.
- The Right to Information is a very useful tool. Steps are being taken to improve transparency. Here technology can play a catalytic role, through e-procurement, for example. Conflicts of interest through “the revolving door” could be tackled by mandating a “cooling off period”.

Topic II: What can be done to further change the mindset of the public to support anti-corruption efforts?

- Promote greater awareness that corruption at any level equates to theft from the public at large – everyone becomes a victim of fraud and theft. Create strong moral awareness in favour of principles against perceived convenience by educating children from infancy.
- A prerequisite for removing corruption is to ensure that government officials earn at least a living wage.
- Technology can transform the way corruption is dealt with in daily life, for example, social media tools such as [Ipaidabribe.com](http://paidabribe.com), where individuals report instances of paying bribes a bribe, with a view to exposing corrupt practices by those in power, has been moderately successful.
- Another business venture, Local Circles, aims to create trusted local communities (neighbourhoods, children’s schools, workplaces, yoga groups, etc.) where individuals or businesses with real identities can share information to help each other accomplish their work without paying bribes.

Topic III: How can business in India advance collective action to achieve a level playing field in anti-corruption practices?

- Companies can engage local chambers of commerce by encouraging them to sign up to a set of standards to which every listed company must adhere.
- Business can enable greater shareholder engagement on ethical due diligence for companies in which they invest.
- Promoters and CEOs need to be shown the business case for remaining free from corruption, in the same way that the environmental sector made the business case for “going green”.
- The creation of a “whitelist” could identify and promote companies that do not practice bribe-giving and with whom foreign companies can partner.
- Government officials across the entire public service sector should be better paid to reduce the incidences of bribe-taking.



Conclusion

The workshop ended with a networking lunch which allowed participants from the multi-stakeholder community to network and identify areas for further collaboration. A great deal of positive and constructive feedback emerged that could shape future events and has the potential to leverage the network of participants at the workshop to further develop the ideas and expand participation to include an even broader range of organizations. One participating business leader said that the meeting constituted the first meaningful conversation on corruption in India, and that more such conversations are needed. Finally, it was proposed that the key outcomes of the meeting could serve as a reference point to support additional dialogue, agenda setting and catalysing action across a range of local organizations and leaders. The Forum thanked all panellists, participants and collaborating organizations for a truly successful day of collaboration.



Final Programme

Venue: *Taj Palace Hotel, New Delhi, India*

Friday 12 April

09.00 - 09.30

Mumtaz Hall

Registration

09.30 - 09.45

Mumtaz Hall

Welcome Remarks

Elaine K. Dezenski, Senior Director, Head of Partnering Against Corruption Initiative (PACI), World Economic Forum

Olajobi Makinwa, Head, Transparency and Anti-Corruption; Coordinator, Senior Civil Society, United Nations Global Compact, New York

09.45 - 11.00

Mumtaz Hall

I to I - Indian to India

Plenary Discussion with Senior Government and Business Leaders.

Is India at a tipping point in the fight against corruption? Public discussion of corruption and its consequences has never been higher. The legal and regulatory framework for addressing the problem of corruption in India is well-developed. However, lack of enforcement is often cited as a major impediment to promoting real change, especially in the business environment.

The panel will consider current government initiatives; the link between corruption and competitiveness; the challenges of engaging small and medium-sized enterprises in anti-corruption programmes; and the role of collective action in creating a genuine level playing field in India and beyond.

Discussion Leaders
Pramod Bhasin, Vice-Chairman, Genpact, India

Amit Kapoor, Honorary Chairman, Institute for Competitiveness, India

N. K. Singh, Member of Parliament, India; Global Agenda Council on India

Peter Y. Solmssen, Member of the Managing Board and General Counsel, Siemens, Germany; Global Agenda Council on Anti-Corruption

Sachin Taparia, Chairman and Managing Director, Local Circles, India

Moderator

Pranjal Sharma, Consulting Editor, Businessworld, India; Global Agenda Council on India

11.00 - 11.15

Mumtaz Hall

Coffee Break and Group Photo

11.15 - 12.30

Mumtaz Hall

Breakout Groups

Topics for discussion:

1. Improving business-government alignment on anti-corruption
2. Changing the mindset in the general debate about transparency and corruption
3. Exploring how business in India can advance collective action to create a level playing field around anti-corruption

12.30 - 13.00

Mumtaz Hall

Closing Summary - Recommendations and Next Steps

13.00 - 14.00

Mumtaz Hall

Networking Lunch

Final List of Participants

International Organizations and Anti-Corruption Initiatives

Katie Wiseman	Regional Governance Advisor, Asia (Anti-corruption) Governance, Open Societies and Anti-Corruption Department	Department for International Development, British High Commission	India
Shehla Hasan	Policy Director India	Confederation of British Industry	India
Noor Naqschbandi		Geschäftsstelle Deutsches Global Compact Netzwerk (DGCN)	Germany
Shabnam Siddiqui	Director, Collective Action	Global Compact Network India	India
Dominic Eagleton	Senior Campaigner, Oil, Gas and Mining Team	Global Witness	United Kingdom
Mukesh Gupta	President and CEO	LocalCircles	India
Subhajyoti Roychowdhury	Manager-Corporate Marketing and Communications	mjunction Services Ltd	India
Karthik Murthy	Coordinator Online Project	lpaidabribe.com	India
Christine Beck	Project Manager	Sequa	Germany
Joe Phelen	Head	The International Business Leaders Forum India (IBLF)	India
Olajobi Makinwa	Head, Transparency and Anti-Corruption; Coordinator, Senior Civil Society	United Nations Global Compact	South Africa
Anupama Jha	Director	Transparency International	India
Susan Cote-Freeman	Programme Manager	Transparency International	USA
Shannon Bullock	Anti-Corruption Team	United Nations Office on Drugs and Crime (UNODC)	Austria

Moderator

Pranjal Sharma	Consulting Editor	Businessworld	India
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Special Guests

Pramod Bhasin	Vice-Chairman	Genpact Ltd	India
Amit Kapoor	Honorary Chairman	Institute for Competitiveness	India
Sachin Taparia	Chairman and Managing Director	Local Circles	India
N.K. Singh	Member of Parliament	Parliament of India	India
Peter Y. Solmssen	Member of the Managing Board and General Counsel	Siemens AG	Germany

PACI Members

Neil Holt	Director, Ethics and Business Conduct - International Operations	CH2M Hill Group	United Kingdom
Rashmi Kathpalia	Senior Counsel	Bechtel Group Inc.	India
Sunil Takyar	General Manager	Bechtel Group Inc.	India
T.N. Seetharaman	Chief Operations Officer and Compliance Manager - South Asia	Damco India	India
Arun Kumar Jain	Managing Director	Fluor Corporation	India
Lee Charles Tashjian	Special Assistant to the Chairman and Chief Executive Officer	Fluor Corporation	USA
Simon Peacock	Chief Executive Officer	Hilti India Pvt Ltd	India
Gurpreet Walia	Principal Marketing Manager	Infosys	India
Matthias Duehn	Legal Counsel, Compliance Manager, Asia Pacific	MAN Truck & Bus Asia Pacific	Thailand
Mario Nazareth	Executive Vice-President, Corporate Management Services	Mahindra & Mahindra	India
Didier Lavion	CFE, Advisory Forensic Services	PwC	USA
Neville Tiffen	Global Head of Compliance	RioTinto	Australia
Nik Senapati	Managing Director	Rio Tinto India	India
Neville Gandhi	Regional Compliance Officer	Siemens	India

Sabine Zindera	Vice-President, Corporate Legal and Compliance	Siemens AG	Germany
Kristen Prohl	Chief Compliance Officer	Starwood Hotels & Resorts Worldwide Inc.	USA
Kenneth S. Siegel	General Counsel and Chief Administrative Officer	Starwood Hotels & Resorts Worldwide Inc.	USA
Richard Fleetwood	Vice-President	Telefonaktiebolaget LM Ericsson	Sweden
Dr Kripa Sridharan	Head of Research Asia	Thomson Reuters Asia	Singapore
William Jacobson	Senior Vice-President, Chief Compliance Officer and Co-General Counsel	Weatherford	USA
Natalie Khounago	Compliance Counsel, MENA	Weatherford	USA
Partha Sarathi Guha Patra	Vice President & Head, Corporate Affairs	Wipro	India
Ravi Kiran Vadapally	Chief Risk Officer	Wipro	India

Business Leaders

Vinayak Prabhu	Country Finance Manager	Adecco India	India
Sarabeet Singh	Partner	BMR Advisors Pvt. Ltd	India
Divya Srivastava	Director	BMR Advisors Pvt. Ltd	India
Abhinand Pandya	Directors' Office	Cadila Pharmaceuticals Ltd	India
Alok Mittal	Managing Director	Canaan Partners	India
Neeraj Bharadwaj	Managing Director	Carlyle India Advisors Pvt. Ltd	India
Krishna Sarma	Managing Partner	Corporate Law Group	India
Mohit Burman	Board Director	Dabur India Ltd	India
Amit Burman	Owner	Dabur India Ltd	India
Vishal Bakshi	Independent Director	FE India Ltd	India
Subimal Bhattacharjee	Security Policy Analyst	General Dynamics	India
Swapan Mehra	Chief Executive Officer	IORA Ecological Solutions	India
R.P. Nangalia	President, Corporate Relations	JSW Steel Ltd	India
Aditya Bhattacharjee	Manager, Corporate Relations	JSW Steel Ltd	India
Ajay Khanna	President	Jubilant Bhartia Group	India
Soundara Rajan Srinivasan	Group Ombudsman	Jubilant Bhartia Group	India
Vikram Bakshi	Managing Director and JV Partner	McDonalds India	India
Atul Sud	Head - Legal, Region Asia	METRO	India
Dr Rajeev Shorey	President	NIIT University	India
Ashwani Singla	Chief Executive Officer	PSB	India
Shefali Khanna	Director	PSB	India
Dhruv Agarwala	Co-Founder	PropTiger.com	India
Rajiv Singhal	Chief Executive Officer	Ritu Overseas	India
Sudhir Dalvi	Head, Internal Audit & Risk Management, Tata Chemicals, India	Tata Chemicals	India
Anjan Dasgupta	Head of Vigilance Department	Tata Steel Limited	India
Chander Agarwal	Executive Director	TCI	India
A.K. Bansal	Group CFO and Secretary	Transport Corporation of India Ltd	India
Chhaya Bhanti	Founder, Creative Director	Vertiver	India
Dhruv Shringi	Founder	Yatra Online Pvt Ltd	India

From the Government

Siamak Rouhani	Counsellor, Head of Economic and Commercial Section	Embassy of Switzerland	India
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From the World Economic Forum

Duong Phuong	Project Manager, Partnering Against Corruption Initiative (PACI)	World Economic Forum	Switzerland
Joel Fernandes	Senior Community Manager, Partnering Against Corruption Initiative (PACI) and Global Leadership Fellow	World Economic Forum	Switzerland
Elaine K.Dezenski	Senior Director, Head of Partnering Against Corruption Initiative (PACI)	World Economic Forum	Switzerland
Viraj Mehta	Director, Head of India and South Asia	World Economic Forum	USA
Navdeep	Community Manager, India and South Asia Team	World Economic Forum	Switzerland



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