

WHICH TEN LETTER WORD ...

...Is described as the single biggest risk to a company's business in India?

...affects productivity, reduces foreign domestic investment (FDI)

& the potential for innovation?

...In developing countries imposes huge social costs - by non delivery of public services, low literacy levels, high child mortality, increasing

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(unscramble to find out)

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Yes, it is that ugly word, corruption

from Mahatma Gandhi to A. P. J. Abdul Kalam the message has been

“Work for a corruption free India”

Support



Transparency International India



Some facts about corruption in India

- ✳ India, a leader among the emerging economies in Asia, has been ranked 19th among 28 countries according to Transparency International's Bribe Payers Index (BPI) 2011.
- ✳ Transparency International India (TII)'s "India Corruption study 2008" on below poverty line (BPL) households estimated that BPL households spent over Rs 883 crore paying bribes of which Rs. 223 crore were from the poorest to avail 11 basic public services such as hospital, education and water that they are entitled to. Shocking isn't it?
- ✳ India ranks 94 among 176 countries in the Corruption Perceptions Index (CPI) 2012.
- ✳ According to a TII estimate, nearly Rs. 80,000 are paid annually by a single truck as bribes at toll plazas, checkpoints, state borders while en route, on the pretext of checking documents etc. With around 36 lakh trucks currently operational, the total bribe amount works out to more than Rs 22,200 crore a year.
- ✳ India can continue to grow in spite of corruption only for a decade before things unravel- World Bank Institute..
- ✳ The Satyam scandal reiterates the need for strengthening every company's commitment to good corporate governance.
- ✳ India's image has been marred by recent Colgate scams, 2G scams and Commonwealth Game Scams .
- ✳ A few Indian companies take a zero tolerance stand to paying bribes. Many more are willing. Do you want to be one of them?

Socio-economic Costs Of Corruption:

- ✳ According to a UNDP study in the Asia-Pacific region, higher levels of corruption were found to be correlated with lower school enrolment and higher dropout and illiteracy rates, blocking key routes out of poverty.
- ✳ A UNESCAP study concluded that in between 50% and 70 % of resources in food subsidy programmes in some countries in Asia were lost through leakages. In 2007, India reported a PDS diversion of food grains to the tune of Rs 31,500 crores spread over three years across the country.
- ✳ Countries with less government corruption have lower child mortality rates
- ✳ Corruption hurts entrepreneurship and small businesses.
- ✳ Corruption promotes extreme social inequality and shatters public trust in government and courts.
- ✳ Real price of corruption is not paid in currency; the true costs being, eroded opportunities, increased marginalization of the disadvantaged, and feeling of injustice.
- ✳ Corruption poses a threat to national security. The probe into the Mumbai serial blasts of 1993 found that bribery and corruption enabled the smuggling of the arms used. In other acts of terrorism on Indian soil, bribery is also suspected of being used to secure local support. This is a cause for serious concern.
- ✳ Corruption can exacerbate impact of natural disasters. A significant relationship was found between perceived levels of corruption and the death toll in a review of the impact of 344 large-scale earth quakes in 42 countries, occurring world-wide.

Be A Corporate With Ethics

TII has formed a **Corporate Support Forum (CSF)**. It seeks to involve the public and private sector corporate bodies and multinational corporations in the fight against corruption and promotion of good governance. Your financial support will be utilised to further the activities of TII, such as:

- ✳ Adopt/promote Integrity Pact (IP): IP is a tool to curb corruption in procurement and tendering. ONGC, GAIL, SAIL, Neyveli Lignite are among the 45 public sector companies that are signatories to this pact with TII . By signing the IP, your image as an ethical company will increase and trust will grow among your customers and investors.
- ✳ Training programs for officers of CSF members.
- ✳ Assisting in monitoring of Corporate social Responsibility related activities of the PSUs .
- ✳ Promote Project Advocacy and Legal Advice Centre (ALAC) to help both victim and witness of corruption.
- ✳ Spread awareness and promote tools of good governance like the social audit, Right to Information, Citizens' Charters.
- ✳ Press for legislation & judicial action to promote good governance and combat corruption.

Why Companies Should become member of Corporate support forum

As per instructions issued by Government of India, called Corporate Social Responsibility Voluntary Guidelines 2009, business is an integral part of society and as such, besides playing an active role in protecting environment and human rights, it must be actively engaged in securing ethical standards and good governance.

All Public and Private Sector companies have responsibility towards society. Corruption hits hardest to the business, Business managers estimate that corruption increases project costs by at least 10 percent in some areas more than 25 percent (Control Risks and Simmons & Simmons, 2007). In addition to direct financial costs and lost business opportunities, there are substantial damages to brand, staff morale and external business and government relations.

As a token of our alliance TII offers you the following:

- ✓ **Global Branding**, increased credibility, networking with companies who adopted Integrity Pact.
- ✓ Transparency International's annual **Corruption Perceptions Index (CPI)** which studies public sector corruption and ranks countries worldwide, by their perceived levels of corruption
- ✓ Our **Bribe Payer's Index (BPI)** which evaluates the supply side of corruption – the likelihood of firms from the world's industrialized countries to bribe abroad
- ✓ **Global Corruption Barometer** which explores how corruption affects the daily lives of ordinary citizens and the extent to which they believe corruption pervades public institutions.
- ✓ *Participation in workshops/discussion on corporate governance and ethics in business, no participant fee will be charged from members of Corporate Support forum.*
- ✓ **Invitation** in advance about anti corruption and good governance meetings organized worldwide
- ✓ Various other **publications** and information on anti corruption instruments
- ✓ TII shall extend training on tools of good governance , corporate reporting and ethical corporate governance.

Are there any monetary gains or intangible gains (nonmonetary gains) for CSF Members

- ✓ It is found by experience that all ethical companies make profit by establishing their credibility among the stakeholders, bankers, and foreign contacts. It is not enough to conduct ethical business that your company may be doing, it is also necessary to make it obvious by showing authentic interest in ethical issues by supporting such causes. Hence the gain may be intangible, but substantial.

Branding of Corporate Support Forum Members:

TII has its own credential, once a company becomes member of CSF , TII will highlight efforts of the company, through media/public forum , to be seen as ethical organization. Company's activities conducted in collaboration with TI India shall give it an image of associating with suitable causes that are essential for growth of the country's economy.

Cost of this association (both monetary and otherwise):

Annual membership fee of Rs Two Lakh.

Future interventions proposed

- ✪ Survey to assess presence of cartels in Indian business environment and ways to address it.
- ✪ Promote Integrity Pact in state PSUs & Private Sector Companies
- ✪ Workshops/Round Table on Corporate Governance
- ✪ Greater interface between private and public sector and civil society to fight corruption
- ✪ University and school programs : introduction of concepts of good governance and ethics in education.

Join the coalition against corruption

Become a member of

Corporate Support Forum (CSF)

MEMBERSHIP FORM

CORPORATE SUPPORT FORUM

Our Company would like to contribute INR to support Transparency International India's work.

(Please fill in the following with BLOCK LETTERS)

Contact Person: _____

Company Name: _____

Company Address: _____

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"In the long run, no country can afford the social, political or economic costs that corruption entails. It erodes public confidence in political institutions and leads to contempt for the rule of law; it distorts the allocation of resources and undermines competition in the market place; it has a devastating effect on investment, growth and development. Furthermore, corruption exacts an inordinately high price on the poor by denying them access to vital basic services. A whole host of conditions can influence corruption, its different manifestations, its pervasiveness and, indeed, its perception by ordinary citizens." (Courtesy OECD Report)