

In-valuable traits



Kiran Yadav

IT'S NO longer something that haunts us. Rather, it's something we have learnt to live with literally as well as practically. Yes, corruption. While IPL chief Lalit Modi was busy compiling over 15,000 pages in reply to the first show-cause notice served on him, Dr Ketan Desai, the president of Medical Council of India was battling corruption charges even as he was being hailed as the king of capitation fees. And not very long ago, an RTI application revealed that Municipal Corporation of Delhi, aptly infamous for its scores of ghost employees, has over 4,300 corruption cases pending against it. Alleged or otherwise, corruption has, least said, become a part of our system long after the permit licence raj was abolished. Little wonder that the country manages a dismal rank of 84 in a list of 180 countries surveyed by the Transparency International's 2009 Corruption Perceptions Index. Estimates by management guru CK Prahlad suggest that corruption has cost India Rs 2,50,000 crore! Given the void, integrity, ethical behaviour and good governance were subjects that assumed significance at a two-day conclave by the Foundation for Restoration of National Values. The Foundation deliberated on the causes of decline in values in India and some of its discourses have now been compiled by Dr E Sreedharan and Bharat Wakhlu in *Restoring Values: Keys to Integrity, Ethical Behaviour and Good Governance*. The authors, stalwarts in their respective fields, need little introduction. The former, a technocrat, is the man behind Delhi Metro Rail Corporation and the latter is the resident director of the Tata Group and the general secretary of the Foundation for Restoration of National Values.

While to most the idea of an ethical, value-based society would seem almost utopian, the authors perceive it to be real and achievable. "We believe that to be ethical and to work with the interest of others at heart is not utopian at all. In fact, it is something that everybody can practice, provided one understands what 'true value' is. In a short human life time, focusing on the well-being of others and committing one's life to selfless service is the best way forward to create

a value-based society."

However, the creation of such a society is not an easy task. The book cites several factors such as absence of right kind of leadership, corruption, inefficiency and lack of transparency that obstruct India's progress in the right direction. The authors agree that the "task is undoubtedly a Herculean one given the fact that the levels of probity have fallen significantly. However, the Foundation for Restoration of National Values believes in working with leaders in all spheres of influence, and persuading and inspiring them to work with ethics and integrity. We believe that such an effort where we influence influencers, would make for a rapid transformation in society. Besides, when people realise that their minds and intellect hold the key to their integrity, much can be achieved."



RESTORING VALUES: Keys to Integrity, Ethical Behaviour and Good Governance
 Edited by E Sreedharan, Bharat Wakhlu
 Sage
 Rs 395, Pp 205

Dr E Sreedharan contends that in the last 60 years of independence, the average Indian has come to believe "that most politicians, bureaucrats and other public authorities in positions of power are corrupt and self serving... For the most part, this power is without accountability, which is a surefire recipe for creating corruption. We hear about numerous schemes and projects being started for the development of the country, but seldom hear of any of them being completed within time or budget, or even as per the original plan. In fact, projects are willfully allowed to overshoot targets, so that some unscrupulous elements can profit out of it."

And the roadmap to check these evils, at the face of it, seems simple indeed. "Good

governance requires open, accountable and transparent leadership and systems, which ensure that the best interest of the stakeholders, the community, the environment and the society are met. If there are individuals who do not conform to the good systems in place, they will have to move out. There has to be a 'zero-tolerance' for improbity. However, when we look at everything with 'political goggles', then this does not happen and that stimulates more transgression."

For corporate India the Satyam episode must have served as an eye opener, one may think. But has the moral fabric of the corporate houses improved since? "The Satyam episode has prompted attention to be focused on better corporate governance,

Extract



E Sreedharan

Bharat Wakhlu

"The loopholes in our Electoral System which allow money and muscle power to garner votes, a near absence of instilling values through our educational curriculum, non-responsive administrative machinery, politicisation of police force are some of the symptoms of this moral decline."

Outwardly, Satyam complied with all the formal requirements of good corporate governance. It had eminent independent directors. The board had required committees. It had internationally respected auditors. For its compliance with form, the company had even won international awards for exemplary corporate governance. Shortly before the Satyam fraud was exposed, the collapse of Lehman Brothers in the US and the exposure of weaknesses in AIG, Fannie Mae, Citibank and many other large financial institutions had created panic around the world. 'The world was dismayed', commented the Financial Times, 9by) 'the spectacle of bankers driving their institutions into bankruptcy while being rewarded with million pound bonuses and munificent pensions.'

In the cases cited, it is not just the governance of these firms but also the institutions set up to ensure the integrity of the corporate system – auditors, credit rating agencies and the like – which have failed in their duties to society. Polls showed a dramatic erosion of faith in business. Three out of four Americans trusted businesses less than they did a year earlier. Only a third trusted the business to do the right thing-half of what it used to be a year before. Businessmen pleaded that governments should not react to the egregious lapses by a few and impose controls on all. That way the system will become sclerotic, they said. Besides, it will induce corruption of another kind – between the controllers and those they must control. Therefore, they pleaded that controls should be voluntary. "Trust us! they said emphatically.

'Igniting the Truth Within' – Arun Maira

with less emphasis on simply pretending to be compliant with the prescribed rules and regulations. I think corporate India has also learned that in the long term, it helps to work with integrity and openness. It has also drawn attention to the fact that when all is said and done, ethical people, who are committed to the greater good, create ethical organisations, institutions and regulators only help to keep everyone on track."

Hopefully, one step at a time should take us home.