

Implementation of Integrity Pact in Bhakra Beas Management Board (BBMB)

Prof. M P Jaiswal

**Chairman, Centre of Innovation for Smart Energy
Management Development Institute, Gurgaon**

E-Mail: mpjaiswal@mdi.ac.in

Key Note Delivered on 07 December to BBMB, Chandigarh

Value of Corporations

- **Economic Value**
- **Social Value**
- **Ethical Value**
- **Intellectual Value**
- **Study by Prof. Christenen of Harward Business School, 2010 about the Value of his HBS class 1988 MBA's**

Role of Management Education

- **Harvard Case Method used by all Management Institutes**
 - **Create Business Value at any Cost**
 - **No education on Ethics**
 - **No education on Law**

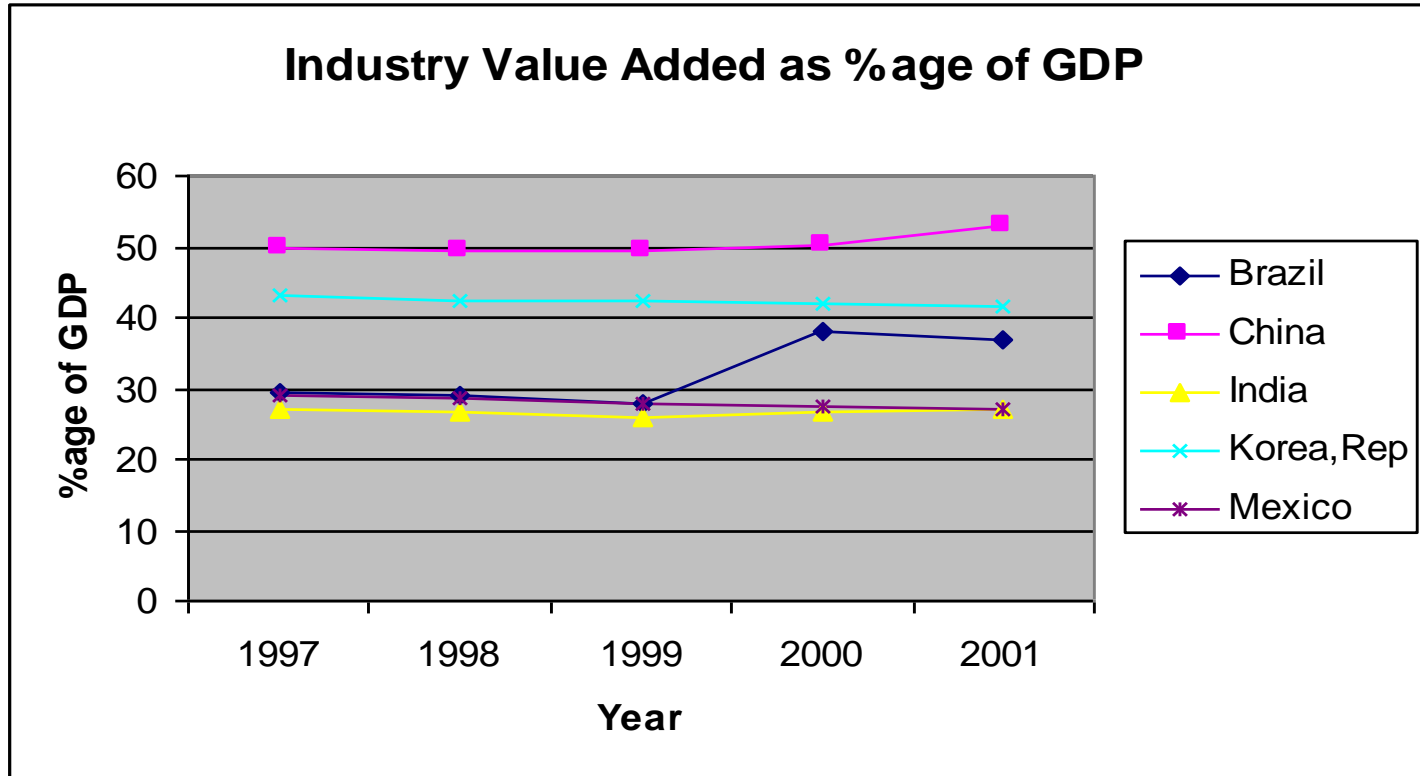
Where &How to learn Management

- **Through Experiential Sharing with our Children**
- **Innovation Leadership**

India's Growth Story

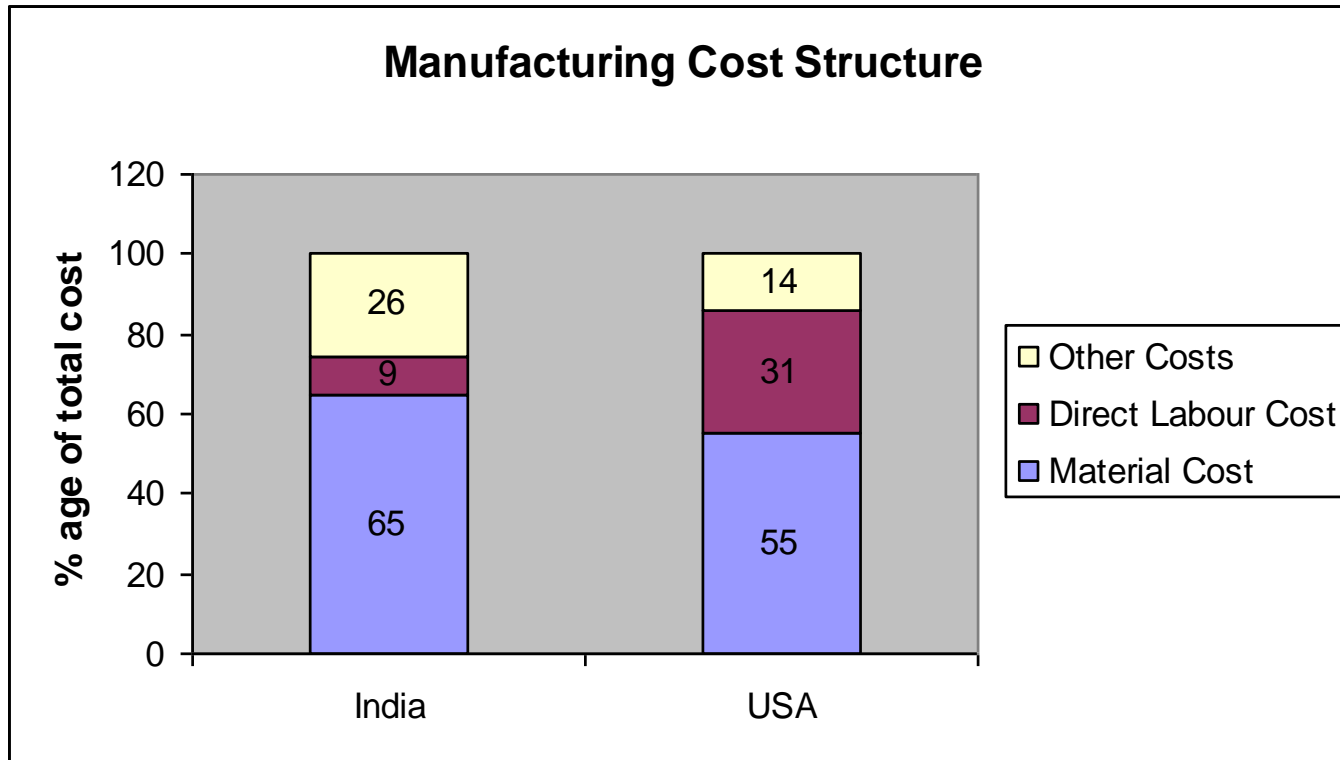
- **Past Glory**
- **Present GDP White (6.5 to 8.5 % Growth)**
- **Present GDB Black (8.5 to 10 % Growth)**
- **Present Corruption Perception Index (CPI) ranked 95 amongst 183 Countries as per TII study**
- **Present e-Governance Index : 125 amongst 183 Countries**
- **R&D Expense (0.9 % of GDP as compare to 1.8 % for China and 0.88 % for Uganda)**

Contribution of Indian Manufacturing Sector to GDP: Comparison with other countries



Manufacturing Growth Rate Target @10% + for next 5 years
but not has slowing down

Manufacturing Cost Structure



There is no cost advantage for Indian Manufacturing due to very high other cost as compare to developed country like USA and hence China becomes the centre for Manufacturing.

The other cost is high due to high corruption Index

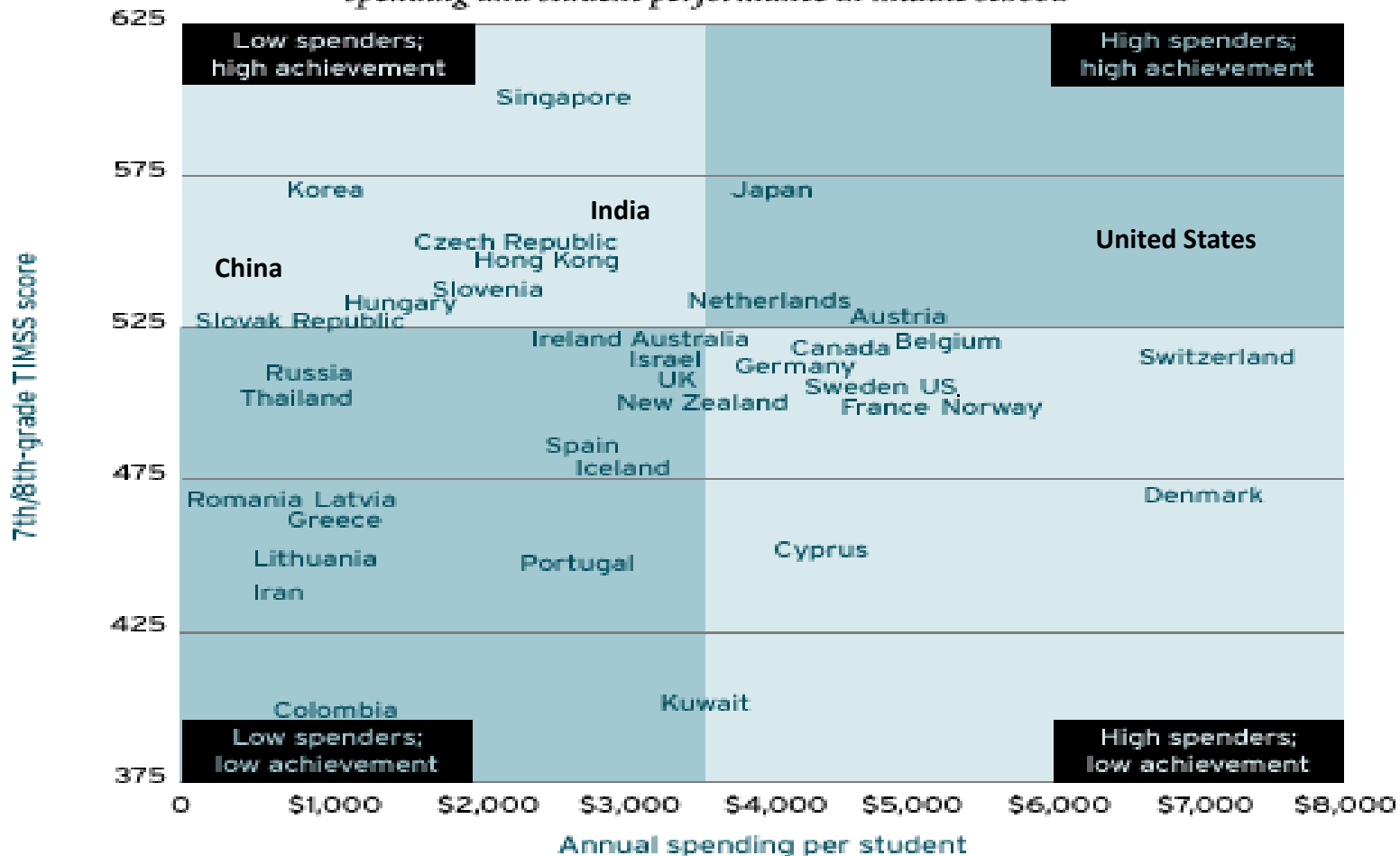
A comparison of China, India and US

	China	India	USA
Human Development Rank, 2009	92	134	13
Networked Readiness Index	37	43	5
Educational Expenditure (% of GNP)	2.5 (1980) 2.8 (2005)	3.0 (1980) 3.8 (2006)	
Area of choice of education Sc. & tech/ liberal art	sc. & tech	liberal art prevalent	open
Quality/quantity	quality	quantity	Quality
Project Management	Always in time	Never in time	Mostly in time

Spending & Achievement Matrix

Spending and Achievement (Figure 2)

Internationally, one finds only a weak connection between per-pupil spending and student performance in middle school.



About Integrity Pact

- Ethical Governance Method/Tool developed by Transparency International (TI) during 1990 to help government, business and civil society on combating corruption in the public procurement and contracts
- Implemented in India through CVC standing operating procedure in May 2009 for adoption by major PSU's

Features of IP

- **Part of major Contracts of Public Procurement**
- **Bidders can approach IEM's for any grievance during bidding**
- **IEM's with technical Credentials & Integrity are part of each PSU's**

Structure of Integrity Pact

- **Role of Organisation**
- **Role of Vendor's**
- **Role of IEM's**

Case Studies on IP Adoption & its Impact

- ONGC
- GAIL
- Central Coal Field Limited
- BPCL
- DVC
- POWERGRID
- Etc.

Major Outcome of IP by PSU's

- An Independent Grievance Redressal system through IEM has boosted confidence of bidders in the system**
- Reduces number of litigation and vigilance cases against PSU's and its executives**
- Reduces the lead time in procurement due to reduction in complains to CVC and other agencies by bidders**

THANKS

Questions ??