

- > What is Corruption?
- > Factors
- > Consequences
- > Measures

Governance Class 02

10th February, 2024 at 9:00 AM

CORRUPTION (09:05 AM)

- Corruption is derived from the Greek word '**Corruptus**' which means **to bend** i.e. bending the rules and regulations, the norms and values of organisations.
- World Bank defined corruption as the use of public offices for personal gains.**
- 2nd ARC Reforms Commission** in its report on Ethics in Governance has defined corruption with a formula, **Corruption = Monopoly + Discretion + Secrecy - Accountability**
- Wherever there is an absolute monopoly of the state over resource allocation, high levels of secrecy in decision-making and implementation processes along with a huge amount of discretionary powers in the hands of officials and a complete absence of accountability mechanisms, would always result in corruption.
- Corruption is both **systemic and systematic** in nature.
- It is **systemic** because it is related to the functioning of the system. **Political system, economic system, administrative system, social and cultural systems.**
- It is **systematic** because it takes place in a highly organised manner i.e. it is not because of the discretion of one particular individual but because of the way systems are organised.

FACTORS RESPONSIBLE FOR CORRUPTION IN INDIA (09:45 AM)

- Political factors**
- It is said that the maximum amount of corruption in India is because of the functioning of our political system.
- Elections in India involve a huge amount of expenditure and political parties raise this money through corporate donations and other resources. Once they reach positions of power, they are expected to recover their investments, resulting in systematic corruption. They use their public offices for personal gain.
- Economic factors**
- After 1991, India opted for liberalization, Privatisation and Globalisation but economic reforms were not supplemented with governance reforms. Govt retained an absolute monopoly over resource allocation. It has resulted in **crony capitalism.**
- Businessmen have joined hands with politicians and bureaucrats resulting in unholy nexus between them. They have used their proximity to people in positions of power to get control over natural resources.
- Social cultural and ethical factors**
- Liberalisation in India has resulted in the emergence of materialistic societies.
- A materialistic society is one wherein people believe that real happiness can be found only in the possession of materialistic comforts.
- They are willing to exploit other human beings for their selfish interests.
- Capitalism only values profits. Illegal, unethical and immoral means are justified in the name of profit maximisation. Ends have become more important than means.**
- Recognition in societies is based only on success but not on goodness.
- On the other hand, good life is defined in terms of materialistic comforts.
- All these factors have contributed to corruption.
- Corruption has become a normal activity due to rapidly changing value systems. There is more tolerance towards corruption. It no longer determines electoral outcomes.

- **Administrative factors**

- India has inherited colonial administrative structures whose basic objective was to exploit native Indians.
- After independence, the same structures continued without any significant changes and as pointed out by the **second administrative reforms commission**, 21st-century India is still governed by 19th-century rules and regulations.

- **Important features of these structures include:**

2nd ARC commission is established in 2005 and submitted its final report in 2009.

- An absolute monopoly of state
- High levels of secrecy
- Centralisation of power
- Huge amount of discretionary powers
- Complicated rules and regulations
- Complete absence of citizen participation in Governance
- Total absence of accountability mechanisms within the administration.
- All the above factors combined together made corruption in India both systemic and systematic in nature.

IS CORRUPTION GOOD OR BAD (11:15 PM)

- According to economists, some amount of corruption is good to improve the efficiency of the system. It is defined as **rental activities**.
- Since bureaucracy is known for inefficiency which mostly results in red-tapism and time and cost overruns, it should be incentivized to improve its efficiency because the functioning of the entire economic system depends on the efficiency of the administrative system.
- But the above argument is wrong from legal and ethical dimensions.
- **All India Civil Services** conducts rules and regulations that prohibit civil servants from accepting bribes. It is an illegal activity and they can be punished severely for indulging in corruption including removal from service.
- It is also unethical because civil servants are paid salaries by the government for the services they are expected to provide for ordinary citizens. They can not demand more money from people.
- If they are not satisfied with their salaries, they must negotiate with the government.
- Corruption also has other **negative consequences** in the form of destroying administrative structures, widening the gap between the rich and the poor, causing threats to national security, reducing economic growth in the medium and long term, being responsible for environmental degradation and ultimately the system moving towards entropy.

REFORMS REQUIRED TO TACKLE CORRUPTION (11:33 AM)

- Multidimensional reforms must be implemented simultaneously to tackle the problem of corruption.
- Reforms needed -
- Political reforms
- Parliamentary reforms
- Electoral reforms
- Economic reforms
- Governance reforms
- Civil services reforms
- Budgetary reforms
- Judicial reforms
- Police reforms
- Regulatory reforms (i.e. reforms in the functioning of regulatory authorities)
- Behavioural reforms (i.e. we have to change value system of our society.)
- **Note:** These reforms will be covered in detail in upcoming classes

TOPIC OF THE NEXT CLASS- SECRETARIAT REFORMS, TRANSPARENCY (RTI)