

Corruption in India

Corruption is widespread in India. India is ranked 85 out of 179 countries in Transparency International's Corruption Perceptions Index, although its score has improved consistently from 2.7 in 2002 to 3.4 in 2008. Corruption has taken the role of a pervasive aspect of Indian politics and bureaucracy. The economy of India was under socialist-inspired policies for an entire generation from the 1950s until the 1980s. The economy was shackled by extensive regulation, protectionism and public ownership, leading to pervasive corruption and slow growth. A 2005 study done by Transparency International (TI) in India found that more than 50 per cent of the people had first-hand experience of paying bribe or peddling influence to get a job done in a public office. Taxes and bribes are common between state borders; Transparency International estimates that truckers pay annually \$5 billion in bribes. Officials often steal state property. In Bihar, more than 80 per cent of the subsidised food aid to poor is stolen.

Corruption in Government Offices

In cities and villages throughout India, "mafia raj" consisting of municipal and other government officials, elected politicians, judicial officers, real estate developers and law enforcement officials, acquire, develop and sell land in illegal ways. Many state-funded construction activities in India, such as road building, are dominated by construction mafia, which are groupings of corrupt public works officials, materials suppliers, politicians and construction contractors. Shoddy construction and material substitution result in roads and highways being dangerous, and sometimes simply washed away when India's heavy monsoon season arrives. In government hospitals, corruption is associated with non-availability of medicines, getting admission through back-door, consultations with doctors and availing diagnostic services illegally. Civil servants /public officials were rated by 13 of respondents as the second most corrupt institution in the country. Other institutions that were polled included Parliament/legislature, the private sector, media and the judiciary.

Corruption in Politics

Political parties are perceived to be the most corrupt institutions by Indians, according to 2009 Global Corruption Barometer. The Barometer, a global public opinion survey released by Transparency International, found that 58 per cent Indian respondents identified politicians to be the single most corrupt individuals. Forty-Five per cent of the people sampled felt that the government is ineffective in addressing corruption in the country. Forty-two per cent respondents analysed that government's actions in the fight against corruption was effective.

Corruption in the Private Sector

Almost 9 per cent of those surveyed considers business and private sector to be corrupt. The private sector used bribes to influence public policy, laws and regulations, believe over half of those polled for the survey. The business-related findings of the Barometer sends a powerful signal to the private sector to prove that they are clean and to communicate this clearly to the public. Forty-five of those polled felt that the existing channels for making corruption-related complaints were ineffective. Very few lodged formal complaints, demonstrating serious defects in the perceived legitimacy and effectiveness of channels for reporting and addressing bribery.

Corruption in Media

As many as 8 per cent of the respondents in India consider that corruption in the media affects the lives of the people. The media, while not being perceived as clean, scored best with just over 40 per cent of respondents labelling the sector as corrupt, globally.

Corruption in Judiciary

Corruption is rampant in India's courts. According to Transparency International, judicial corruption in India is attributable to factors such as "delays in the disposal of cases, shortage of judges and complex procedures, all of which are exacerbated by a preponderance of new laws". Almost 3 per cent respondents in India consider the judiciary to be corrupt. Anti-corruption tools such as the Right to Information Act (RTI), social audit, citizens' charters and use of technology are wonderful tools to check corruption, but majority of the population in the country are not aware of these instruments. Transparency International has also devised tools such as Integrity Pact and Development Pact to check corruption in areas of procurement and political institutions, respectively.

Corruption in Police

Despite state prohibition against torture and custodial misconduct by the police, torture is widespread in police custody, which is a major reason behind deaths in custody. The police often torture innocent people until a "confession" is obtained to save influential and wealthy offenders. The main issue at hand concerning police violence is the lack of accountability on the part of the police.

Corruption in Religious institutions

In India, corruption has also crept into religious institutions. Some members of the Church are making money by selling baptism certificates. A group of church leaders and activists has launched a campaign to combat corruption within churches. Among Indian

Muslims, the recent “cash for fat was scandal” was a major affair that exposed the Imams of the Islamic ulama accepting bribes for issuing random, often nonsensical fat was. The chief economic consequences of corruption are loss to the exchequer, an unhealthy climate for investment and an increase in the cost of government-subsidised services. The Transparency International (TI) India study estimates the monetary value of petty corruption in 11 basic services provided by the government, like education, health-care, judiciary and police to be around Rs.21,068 crores. India still ranks at the bottom quartile of developing nations in terms of the ease of doing business, and compared to China and other lower developed Asian nations, the average time taken to secure the clearances for a start-up or to invoke bankruptcy is much greater.

Corruption and Economic Growth

The world would be a better place without corruption and it does impose a cost on the economy. But the contention, that it is our biggest problem and we need to eliminate it before meaningful change can occur, is not supported by evidence. We need to look beyond the simple answer to figure out what else is holding back economic growth in our country. Just as there are people who believe that overpopulation is our biggest problem, there are others who attribute most of our difficulties to corruption.

There is no doubt that corruption is a pervasive and aggravating phenomenon but even a cursory comparative analysis should make one skeptical of the assertion that it is a major cause of our underdevelopment. The issue of corruption is very high on the political agenda of the Chinese government. But despite corruption the economy has expanded continuously over the past fifteen years at historically unprecedented rates of growth. Today China is being spoken of as a major economic power of the future. The concern with corruption stems less from its impact on growth and more from the social discontent it causes and which negatively impacts the credibility of the government. Indonesia is another country where considerable economic development occurred despite very high levels of corruption that are well documented. The country was very much a part of the East Asian miracle whose momentum was broken by the financial crisis in 1997. While the other regional economies have recovered, Indonesia is lagging not because of corruption but because of the political instability that ensued after the fall of the Suharto government.

High-level corruption on the other hand, can have much more lasting effects if public resources are diverted from economically useful to economically useless activities. But the fact

remains that there are economies that have continued to grow even in the face of such corruption. In South Korea, family members of the former President have gone to jail, and Prime Ministers have been indicted in Japan on charges of corruption. Nevertheless Japan is among the richest countries in the world and South Korea has vaulted into the ranks of developed countries within the period of a few decades. This is not a defence of corruption. The world would be a better place without it and it does impose a cost on the economy. But the contention that corruption is our biggest problem and we need to eliminate it before meaningful change can occur is not supported by evidence. We need to look beyond the simple answer to figure out what else is holding back economic growth in our country.

Causes and Consequences of Corruption

Corruption is a global phenomenon and it is omnipresent. Corruption has progressively increased and is now rampant in our society. Corruption in India is a consequence of the nexus between bureaucracy, politics and criminals. India is now no longer considered a soft state. It has now become a “consideration state” where everything can be had for a consideration.

Causes

Corruption in India has wings, not wheels. As the nation grows, the corrupt also grows to invent new methods of cheating the government and public. The causes of corruption are many and complex. The following are some of the causes of corruption.

- Emergence of a political elite which believes in interest-oriented rather than nation-oriented programmes and policies.
- Artificial scarcity created by people with malevolent intentions wrecks the fabric of the economy.
- Corruption is caused as well as increased because of the change in the value system and ethical qualities of men who administer. The old ideals of morality, service and honesty are regarded as anachronistic.
- Tolerance of people towards corruption, complete lack of intense public outcry against corruption and the absence of a strong public forum to oppose corruption allow corruption to reign over people.
- Vast size of population coupled with widespread illiteracy and the poor economic infrastructure lead to endemic corruption in public life.

- In a highly inflationary economy, low salaries of government officials compel them to resort to corruption. Graduates from Indian Institutes of Management (IIMs) with no experience draw a far handsome salary than what government secretaries draw.
- Complex laws and procedures deter common people from seeking help from the government.
- Election time is a time when corruption is at its peak. Big industrialists fund politicians to meet high cost of election and ultimately to seek personal favour. Bribery to politicians buys influence, and bribery by politicians buys votes. In order to get elected, politicians bribe poor, illiterate people.

Consequences of Corruption

Corruption is as much a moral as a development issue. It can distort entire decision-making processes on investment projects and other commercial transactions, and the very social and political fabric of societies. The following are some of the consequences of corruption.

Economic Development

Some fairly robust statistical evidence has now been furnished showing that higher corruption is associated with (i) higher (and more costly) public investment; (ii) lower government revenues; (iii) lower expenditures on operations and maintenance; and (iv) ensuing lower quality of public infrastructure. The evidence also shows that corruption increases public investment by making it more expensive, while reducing its productivity. Corruption also acts as an additional tax on investment by lowering the potential return to an investor on both the initial investment and on subsequent returns. In India, current corruption levels mean that the implicit corruption tax on investment is almost 20 percentage points.

The impact of corruption on the quality of public infrastructure is all too clearly visible in towns and cities of India. The Public Works Department and the State Electricity Boards which are largely responsible for the maintenance of roads and management of power distribution respectively are among the worst corrupt government departments in India. Corruption also reduces the government's resources and hence its capacity for investment, since tax revenues are depleted by tax evasion. This has two adverse effects: *first*, shifts away from investments in development areas occur, as bribe-takers are less likely to invest in activities with significant positive social benefits like education and health. *Secondly*, overall investment levels may fall, since conspicuous consumption or flight of illegal earnings is probably higher than legal

earnings. The high potential for capital flight of illegal earnings makes corruption more likely to be associated with a negative impact on the balance of payments.

Political System

Politically, corruption increases injustice and disregard for rule of law. Basic human rights and freedom comes under threat, as key judicial decisions are based on the extent of corrupt bribes given to court officials rather than on the innocence or guilt of the parties concerned. Police investigations and arrests may be based on political victimization or personal vendettas rather than on solid legal grounds. Commenting on the socio-political consequences of corruption the Supreme Court of India observed that corruption in a civilised society was a disease like cancer. If not detected in time it was sure to turn the polity malignant leading to “disastrous consequences”.

Remedial Measures to Combat Corruption

Corruption is a cancer, which every Indian must strive to cure. Many new leaders declare their determination to eradicate corruption but soon they themselves become corrupt and start amassing huge wealth. There are many myths about corruption which have to be exploded if we really want to combat it.

Foolproof laws should be made so that there is no room for discretion for politicians and bureaucrats. The role of the politician should be minimised. Application of the evolved policies should be left in the hands of an independent commission or authority in each area of public interest. The decision of the commission or authority should be challenged only in the courts. Cooperation of the people has to be obtained for successfully containing corruption. People should have a right to recall the elected representatives if they see them becoming indifferent to the electorate.

Funding of elections is at the core of political corruption. Electoral reforms are crucial in this regard. Several reforms like state funding of election expenses for candidates, strict enforcement of statutory requirements like holding in-party elections, making political parties get their accounts audited regularly and filing income-tax returns, denying persons with criminal records a chance to contest elections, should be brought in. Responsiveness, accountability and transparency are a must for a clean system. Bureaucracy, the backbone of good governance, should be made more citizen-friendly, accountable, ethical and transparent.

More and more courts should be opened for speedy and inexpensive justice so that cases don't linger in courts for years and justice is delivered on time. Local bodies, independent of the

government, like Lok pals, Lok adalats and vigilance commissions should be formed to provide speedy justice with low expenses. With the help of the Right to Information Act, citizens should be empowered to ask for information related to public services, etc. and this information should be made available to general public as and when required. Such stringent actions against corrupt officials will certainly have a deterrent impact.

Fighting Corruption

Fighting corruption has emerged as a key development issue in India in recent years. More and more policy-makers, businessmen and civil society organisations have begun to confront the issue openly. At the same time, the general level of understanding about corruption has risen markedly. Until recently, it was not uncommon to hear someone discuss anti-corruption strictly in law enforcement terms. By contrast, most people working in the field today acknowledge that public education and prevention are equally important. The field has also come to appreciate how critical the role of civil society is for effective and sustained reform.

A number of factors explain this growing emphasis on fighting corruption. Expansion and consolidation of democracy at the grassroots level has enabled citizens to use the vote and new-found civil liberties to confront corruption, prompting leaders and opposition figures to show a stronger anti-corruption commitment. Internationally, since the end of the Cold War, donor governments have focused less on ideological grounds for foreign assistance and concentrated more on trade and development, both of which are undermined by corruption. Countries with high levels of corruption, like India, have found themselves less able to attract investment and aid in a competitive global market. At the same time, business within the country has faced ever stiffer competition with the globalisation of trade and capital markets, and has become less willing to tolerate the expense and risks associated with corruption.

Conclusion

There is a much better grasp today of the extent to which corruption is a symptom of fundamental institutional weaknesses. Instead of tackling such a symptom with narrow intervention designed to “eliminate” it, it is increasingly understood that the approach ought to address a broad set of fundamental institutional determinants. However, the challenge of integrating this understanding with participatory process has barely begun. The implementation of institutional reforms can benefit significantly from the participatory process that is being developed for anti-corruption activities. Equally important, any participatory process, however sophisticated, ought to lead to concrete results beyond enhanced participation and heightened

awareness. Thus, identifying key institutional reforms in India, and mobilising support for such reforms, needs to be fully integrated into the participatory process from very early on. Such early convergence is likely to promote a better balance between prevention and enforcement measures in addressing corruption. Until recently, the pendulum was firmly in the “enforcement” corner. The gradual swing towards the middle ground has taken place due to recognition of the limitations to expose legalistic enforcement measures, since the law institutions themselves are currently part of the corruption problem in India.

Therefore, corruption is an intractable problem; it is like diabetes, which can only be controlled, but not totally eliminated. It may not be possible to root out corruption completely at all levels but it is possible to contain it within tolerable limits. Honest and dedicated persons in public life, control over electoral expenses, could be some of the important prescriptions to combat corruption. Corruption has a corrosive impact on our economy and leads to loss of overseas opportunities. Corruption is a global problem that all countries of the world have to confront: solutions, however, can only be home-grown.

ANTI CORRUPTION LAWS IN INDIA

The whole world experiences corruption in public domain so as "the law" prevails in every country whether loosely, whether strong, whether proper, whether premature. Hence, everything depends upon the proper and natured law, proper enforcement and proper maturity. India is oldest in democracy, longest in Constitution, fifth in economy and second in world population.

India has experienced with many beneficial legislations, colourable legislations, criminal, civil, economic, property, human rights and civil rights legislations. Besides, in order to prevent corruption it has a very few Anti-corruption laws vis-à-vis.

- Indian Penal Code
- Prevention of Corruption Act, 1988
- Prevention of Money Laundering Act, 2002
- Criminal Procedure Code, 1973

Specific Measures against Anti-Corruption Laws

- Public Interest Disclosure (Protection of Informers) Bill, 2002
- Right to Information Act, 2005

- Anti-corruption Grievance Redressal and Whistleblower Protection Bill, 2010
- Public Servants Enquiries Act, 1850
- Judicial Stands Accountability Bill, 2010
- Proposed Revised Lokpal Bill, 2011

Since independence India has witnessed a very pragmatic measures both in law and in its Constitution. Article 32 and Article 226 of the Constitution of India empowers any citizen to knock at the doors Supreme Court and High Courts through certain writs against corrupt public servants. The Judicial activism in 1960s and its directions and guidelines against the public servants though not in to curbs the corruption by public authorities. The NGOs Social Activists etc. are vigilant against the corrupt practice by the public servants.

Moreover law is made for a making of provisions against the crime, but India wherein 67+% are illiterate and are unaware who does what and where! Hence to educate the people about the needful law is more focal point than that of making the law. First Lokpal Bill passed in 4 th Lok Sabha in 1969 but still pending in Rajya Sabha Further introduced in 1971, 1977, 1985, 1989, 1996, 1998, 2001, 2005 and in 2008, but not passed.

AUTHORITIES UNDER ANTI-CORRUPTION LAWS

- Central Vigilance Commission (CVC)
- States Vigilance Commission (SVC)
- Central Bureau of Investigation (CBI)
- States Anti-corruption Bureau (SACB)
- Directorate of Enforcement (ED)
- Intelligence Bureau (IB)
- Financial Intelligence Unit (FIU)
- Special Cell Crime, Police- Home Department (SCCP)
- Income Tax Directorate (ITD)

ANTI-CORRUPTION COURTS

- CBI Special Court
- States Vigilance Commission Special Courts
- Special Court, Income Tax
- Designated Special Courts

ANTI-CORRUPTION LAW

- Five Members, Drafting J an Lokpal Committee of Bill, 2011
- Anna Hazare (Real name Kishan Baburao Hazare)
- Shanti Bhushan
- Prasant Bhushan
- Arvind Kejriwal
- Justice Santosh Hegde (Lokayukt of Karnataka)

Ten Members Drafting Committee Of Anti-Corruption Bill, 2011 Government Representation

- Shanti Bhushan (Chairman)
- Pranab Mukherjee (Co-Chairman with Shanti Bhushan)
- P. Chidambaram (Panel Member)
- Veerappa Moily (Panel Member)
- Kapil Sibal (Panel Member)
- Salman Khurshid (Panel Member)

Civil Society Representation

- Shanti Bhushan (Co-Chairman with Pranab Mukherjee)
- Anna Hazare (Panel Member)
- Prasant Bhushan (Panel Member)
- N. Santosh Hegde (Panel Member)
- Arvind Kejriwal (Panel Member)