



# **Contemporary World**

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# 7th Lecture

## Corruption and Contemporary World

- Definition of corruption
- Types of corruption
- Causes of corruption
- Effect Of Corruption
- Effects on politics
- Effects on Economic



## *SOME INTERESTING FACTS*

- ❑ **54% of Indian users paid a bribe to at least one of nine selected service providers in 2010 – TI,2011**
- ❑ **49 % Pakistanis, 11 %Chinese, 62 % Afghans, 4 % Brazilians, 27% Russians, 63 % Nigerians and 31 % Mexicans too paid bribes – TI,2011**
- ❑ **In 2012 India has ranked 94th out of 176 countries in Transparency International's Corruption Perceptions Index**
- ❑ **India tops the list for black money in the entire world with almost US\$ 1456 billion in Swiss banks.**



# *DEFINITION*

- Giving or obtaining advantage through means which are illegitimate, immoral, and/or inconsistent with one's duty or the rights of others.
- Transparency International(TI) define corruption as **“ The misuse of entrusted power for private gain”**



# BEST *DEFINITION*

- Corruption = (Monopoly) + (Discretion) – Accountability or in abbreviated form as:  $C = R + D - A$





# DEFINITION

- **Behaviour that deviates from the formal rule - regarding motives such as wealth, power, or status.**
- **Oxford Dictionary defines corruption as — “Perversion or destruction of integrity in the discharge of public duties by bribery or favour.”**



# *SOME ILLUSTRATIONS*

- **Design or selection of uneconomical projects because of opportunities for financial kick backs and political patronage,  
e.g. Realigning rail track to inflate cost**
- **Illicit payments of "speed money" to government officials to facilitate the timely delivery of goods and services to which the public is rightfully entitled, such as permits and licenses,  
e.g. transfer of govt. lands**



# *SOME ILLUSTRATIONS*

- **Misappropriation of confidential information for personal gain, such as using knowledge about public transportation routings to invest in real estate that is likely to appreciate .**

**e.g. extension of DMRC, location of SEZ & national highway realignment**

- **Sale of official posts, positions, or promotions; nepotism; or other actions that undermine the creation of a professional, meritocratic civil service.**

**e.g. State PWD, Irrigation, NHAI & Central Secretariat**





# *TYPES OF CORRUPTION*

**SYSTEMATIC:** Permeate an entire government or ministry.

e.g. DDA&MCD

**INDIVIDUAL:** Isolated and sporadic.

e.g. Traffic constable & sanitation inspector

**GRAND:** Senior officials, major decisions or contracts, and the exchange of large sums of money and involves transnational.

e.g. 2G Scam & CWG Scam

**PETTY:** Low level officials, the provision of routine services and goods, and small sums of money.

e.g. licensing & enforcement



# *We can differentiate corruption in another seven groups*

- 1. AUTOGENIC : Self generating and involves only perpetrator**
- 2. DEFENSIVE : Compulsive in nature and victims pay bribes in self defense.**
- 3. EXTORTIVE : This is compensation in exchange for services.**



- 4) **INVESTIVE** : For future reward and no direct favor in present.
- 5) **NEPOTISTIC** : No direct transfer of money. Just preferential treatment to relatives and friends.
- 6) **SUPPORTIVE** : It supports the existing corrupt system.
- 7) **TRANSACTIVE** : Involves both parties and the advantage is for both.



# *CAUSES OF CORRUPTION*

- **Absolute authority**
- **Ineffective/antiquated and overburdened legal system**
- **Ineffective anti-corruption mechanisms**
- **Inadequate enforcement**
- **Lack of employment**
- **Privatization, Liberalization and Globalization**



# *CAUSES OF CORRUPTION*

- **Diminishing values in the society.**
- **Diminishing patriotism.**
- **Lack of awareness.**
- **Low literacy rate.**
- **Lack of effective management.**
- **Lack of economic stability.**
- **Lack of effective political leadership.**







# *CAUSES OF CORRUPTION*

The very presence of black money:

The existence of large amount of unaccounted black money is one of the main sources of corruption.

This money is obtained by various ways, namely, tax evasion, smuggling, speculation in immovable property and shares and stocks



## *CAUSES OF CORRUPTION*

- **Economic insecurity:**

This is regarded as most important cause of corruption.

The poor people become corrupt in hope of becoming rich. the rich indulge in it for fear of losing what they have

### **High rate of income tax:**

Since tax rates are comparatively high in pakistan even the honest people are often tempted to escape from it by making false returns of their property and income  
many of officers in income tax department



Are also equally corrupt and they thrive on bribery

Meager salary being paid to government servants:

Employees in some of the government departments are paid comparatively very less salary this situation is said to be cause of corruption in administration

The system of democracy:

The present style of functioning of democracy in Pakistan also contributes to corruption. all parties



Specially ruling party spends crores of rupees on each election. This money comes from businessmen, industrialists and other rich persons.

They supply money to the party in the form of black money and this in turn gives them licence, a 'moral' justification for accumulating money in different forms



# *CONSEQUENCES OF CORRUPTION*

- **Loss of National wealth**
- **Hindrance and obstruction in development**
- **Backwardness and Poverty**
- **Authority and power in wrong hands**
- **Brain drain**
- **Inflation**





# *CONSEQUENCES OF CORRUPTION*

- **Inferior public infrastructure**
- **Loss of faith in democracy**
- **Psychological and social disorders**
- **Environmental degradation**
- **Rise of anti social elements**



# *CURES FOR CORRUPTION*

- Value education
- Strong Legislation
- Responsible citizen
- Effective leadership and administration
- Effective and regular vigilance
- Strong Media support( through films, ads, serials)



# *CURES FOR CORRUPTION*

- Loyalty and patriotism
- Transparency appointment and admissions
- Declaration of wealth and assets
- Dedicated and diligent political leaders
- Coordination and control of agencies
- Social organisation



# TOP CORRUPTION SCAMS IN INDIA

## 2G spectrum Scam

The 2G spectrum scandal was a political scandal that occurred in India in 2010–11 where officials in the government of India were illegally undercharging mobile telephony companies for frequency allocation licenses, which they would use to create 2G subscriptions for cell phones. The difference between the money collected and the money which the law mandated to be collected is estimated to be 176,645 crore

