

Ethics and Values
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Lecture – 18
Corruption

Hello friends!

Welcome back to the lectures on ethics and values.

I hope you remember that in the previous lecture we discussed the impact of terrorism and finished module 2. In this lecture, we are going to start module 3, Social Issues II and the topic of discussion for this lecture is corruption. Again, the issue of corruption can be considered as an endemic scourge that is feeding upon the moral fabric of our nation. Corruption in simple terms may be defined as “an act of bribery”. It can also be described as “the use of public power for private gain in a way that constitutes a violation of law or a deviation from the norms of society”. On a broader scale, corruptive activities can be divided into two forms - Petty corruption and Grand corruption. Petty corruption occurs at a smaller scale and takes place at the implementation end of public services when public officials meet the public. Grand corruption is a crime that violates human rights and deserves adjudication and punishment accordingly. This ranges from stealing from public funds that were meant for building hospitals and schools to constructing dangerous facilities as the result of misappropriation of funds caused by corrupt actors. It occurs at the highest strata of government in a way that requires a significant subversion of political, legal and economic systems.

Corruption can be found in different forms: for example;

- Bribery, which is the activity where money is offered in cash or kind or gift as an incentive to obtain illegal or dishonest action in favour of the giver. Previously, bribe was paid for getting wrong things done but nowadays even for getting done right things we might have to pay bribe. At some places it seems to have taken up the form of a norm.
- Nepotism is again another form of corruption where those in positions of power or influence favour their relatives and friends.
- Misappropriation or embezzlement is the unauthorized use of another's name, or identity or money without that person's permission or in simple terms we can say using others money for one's own use. Recently, it was reported in newspapers that the Central Bureau of Investigation filed a case against some of the officials of Bank of Baroda and Delhi government-run shelter improvement board (DUSIB) for alleged misappropriation of INR 207 crore.
- Patronage may be considered as the undue support, encouragement and privilege which can also be financial, given by a patron in a way leading to the misuse of position.

- Favouritism or in simple terms partiality or bias is the practice of unfair preference to someone or a group at the expense of another.

We can say corruption is the misuse of entrusted power attained by heritage, education, marriage, election, appointment or whatever, for private gain. Corruption includes behaviours like public servants demanding or taking money or favours in exchange for services, politicians misusing public money or granting public jobs or contracts to their sponsors, friends and families, big corporations bribing officials and politicians to get lucrative deals. You know, corruption erodes citizen's trust on their government and their leaders, weakens democracy, hampers economic development and further exacerbates inequality, poverty, social division and environmental crisis. With this we come to the end of this lecture, and as usual, let's have a small reflection spot.

Read the case shown on the screen and identify the category of corruption it falls into. Which means you have to identify whether it's petty or grand corruption?

You might have heard of the coal allocation scam, popularly referred to as 'Coalgate' which was a political scandal that swamped the UPA government in 2012. This scam made the headlines after the Comptroller and Auditor General of India (CAG) accused the Indian government of allocating over 194 coal blocks to public and private enterprises (PSE's) for captive use in an ad hoc manner between 2004 and 2009.

Now, what do you think is the answer? Just think for a while, you can even look at the definitions of petty and grand corruption if you want. Yes, you can see public funds being misused; some of the most important people from highest strata of the government were involved. So, this is an example of grand corruption.

Our discussion on corruption is not yet over, as in the next lecture we will understand the causes of corruption. Till then bye and thank you.

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Lecture – 19
Causes of Corruption

Hello everyone.

After listening to my previous lecture on corruption, I am sure you would have understood what constitutes corruption. Well, in this lecture, we are going to discuss some of the causes of corruption. There are a number of factors which can be identified as causing corruption in a nation.

You know the emergence of a class of political elite whose prime motive is to gain profit, power and money rather than the welfare of people and nation oriented programmes can be a cause of corruption. Corruption can be caused by artificial scarcity of goods created by people with malevolent intentions wrecks the economy of a nation. When, there is a subversion or drastic change in the value system, sincerity and ethics of people who administer it, and then there are extreme chances of increased corruption.

Just imagine a situation where you are deprived of basic needs like water, ration, healthcare and education because of not paying bribe, what would be your situation? How helpless you would feel? So, we can even trace corruption to unproductive administration. If the vigilance, anti-corruption bureau, bureaucracy, government bodies, ministries, politicians, judiciary, police and government officials become ineffective, then it can lead to a situation where no one would be there to scrutinize and check these corruptive activities.

Lack of vigilance, enormous powers to the bureaucracy, lack of accountability, defective information system, etc. give scope to officials not only to become corrupt but also to remain unaffected even after following corrupt practices. Just imagine a society where nobody is there to question the wrong doings of anyone. Even tolerance of people towards corruption and complete lack of intense public outcry against corruption and the absence of a strong public forum to oppose corruption allow it to reign over people.

Corruption in India can be considered as a consequence of the nexus between bureaucracy, politics and criminals. Vast size of population coupled with widespread illiteracy and the poor economic infrastructure can also lead to endemic corruption in public life. Apart from these factors, there are various other reasons highlighted in many studies for corruption to prevail, like:

- Low Pay Scales and Wages, especially in a highly inflationary economy.
- Lack of strict and fast punishments coupled with complex laws and procedures deter common people from seeking help from the government. There are people who think that they don't have time but they know that they have enough money to spare and

such individuals would hesitate to run after application forms and government offices for registration purposes, electricity and water connection etc. and produce all the documents, sit patiently and fill those forms, instead they would simply make the job done by paying some thousands to a clerk or an official. And it's true as how many of us know to use government's online services, and how many of us have patience to fill all those huge complicated forms and wait in queue for long hours for the job to be done.

- So, lack of awareness regarding our rights and duties, and also government schemes and online facilities also make people victim of such corruptive activities.
- There is another reason like Lack of Transparency in Deals and Affairs which construct a congenial environment for the people in power to take decisions on their own.
- Lack of Accountability can also be a reason. I might have discussed it before; you know it is our duty to elect a candidate after analysing the works done by them in their constituency. As an individual, I believe that we should not simply vote on the basis of party symbols, instead we should learn about them and whether they have fulfilled the objectives mentioned in their manifesto.
- Similarly, there are other reasons like unhealthy encouragement of competition and lack of Economic Stability which can also motivate corruption to a certain extent.

As a sociologist, I think that even the absence of a strong opposition to question and scrutinize the decisions made by the ruling party or the government can also hamper socio-political environment of a nation or a state.

Ok, so now is the time for a question. Just think for a while and try to answer this question. The question is how does unemployment and poverty contribute to the persistence of corruption? Try to find answer for this question. As young individuals waiting to get absorbed into the labour market, you should be aware of this relationship between corruption, poverty and unemployment. So, I would suggest that you search or read articles on the topic and try to find answer on your own. I will speak briefly on this topic in the next lecture. And in the next lecture we will also talk about the impact of corruption.

Until then, bye and thank you.

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Lecture – 20
Impact of Corruption

Welcome back my dear friends.

So, in the previous lecture we stopped with a question where I told you people to analyze the relationship between poverty, unemployment and corruption. You know these three factors form a vicious circle.

Poverty is a social phenomenon where a society or a community is unable to fulfill its basic requirements. It forces people to not have access to even essential services like healthcare, education and sanitation. People under such circumstances lose their sense of understanding regarding the basic rights and they are pressurized to not question the atrocities that they face. They believe it to be their fate and normalize their condition as something which is unavoidable. Rising unemployment and competition can also motivate people to resort to corruptive methods like bribing to ensure the job. They might pay a lump sum amount to the broker and ensure that the job is assured. There are chances that they also might get betrayed in the process.

Now, suppose they got the job by throwing money. Well, just imagine what would be the first objective of the person who has now attained the job? Their first intention might be to somehow regain those lakhs which they have spent for the post. If the person commits into corruptive measures to regain those money spent, then it further leads to corruption. You know, there is one more dimension to this interrelation between corruption, poverty and unemployment. We can also argue that, corruption does not have a direct relation in producing poverty. Rather, corruption has direct consequences on economic and governance factors that in turn produce poverty. Biased selection of employees through means like bribery, nepotism and favouritism can also become a cause for unemployment. Even increased rate of poverty also induces unemployment in a society and vice versa.

Before we start our discussion, let's have a quick reflection spot. You can see the question on the screen.

Which amongst these are the consequences of corruption? You have three options:

1. Vast Population
2. Poverty
3. Tolerance

This is a very easy question. Try to remember the points discussed in the previous lecture. Did you get the answer? We can't wait long as we need to move forward. Well, the right answer is option 2, poverty.

Now, let's start our discussion on the impact of corruption.

The two consequences we have already discussed, which are poverty and unemployment. Apart from these two factors, there are other implications like retarded economic and infrastructural development of a nation.

It may even create anarchy and violence since the corrupt may have the money power to influence the executors of law and security for their own benefit. As I told you before, it can deteriorate the moral fabric of the nation as people lose trust on the system of governance. It can even lead to increased nepotism, lethargy, inefficiency because the officials might delay the work which could be done in one day, in a way to obtain the desired reward as bribe.

Definitely, it increases black money in a country, leads to adulteration of food item, spurious drugs and shortage of many consumer items. As I discussed before, it may even lead to the emergence of terrorism and criminal activities as there are chances that people who are unemployed and poor would resort to any methods, if they are getting paid to survive and to support their family, in turn causing an increase in terrorist and criminal actions. Now, if qualified professionals are denied their right to attain a job or if they are forced into underemployment where an individual undertake a job that does not qualify their capabilities, skills and financial needs, then they opt to leave the country in search of better jobs abroad, causing a severe harm to a nation's development. And it would lead to brain drain.

So, friends we come to the end of this lecture. I hope you would have gained a lot of insight regarding the cause and impact of corruption, which leaves us with the last topic on corruption which is its prevention. We will discuss the laws and the preventive measures in the next lecture.

Bye and Thank you.

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Lecture – 21
Laws and Prevention of Corruption

Hello everyone.

In the previous lecture we spoke about the implications of corruption and how it can cause severe obstacles in the way of a nation's development. In today's lecture we will understand some measures and laws which are essential for us to know as an individual.

I hope you might have heard about Transparency International. You know, transparency international is a not for profit, independent organization fighting against corruption. It has a Corruption Perception Index (CPI), which ranks 180 countries based upon institutional perceptions of public sector corruption on a scale of 0-100. A score of zero indicates a "highly corrupt" nation while 100 indicates a "very clean" one. If you go and check the website of transparency international, you can find a lot of interesting and eye opening details regarding the present state of global corruption.

The latest report released on December 9, 2020 which is observed as International Anti-Corruption Day, show that New Zealand and Denmark have cornered the top spot, followed by Finland, Switzerland, Singapore, Sweden, Norway, Netherlands and the list goes on. Now, you might be wondering about India's score. India's score is 40 and the global corruption barometer shows that in India, around 89% of people think that government corruption is a big problem and 39% of public service users have agreed upon paying bribe in one year. I know, you might be interested in knowing more about this and if you want you can visit the website of transparency international and gather more information. They have all the details regarding the methodology followed and also selfexplanatory info graphs can also be downloaded from the website. So, this was about transparency international, a global movement working through advocacy, campaigning and research to expose the systems and networks that enable corruption to thrive.

Before having further discussion, let's have a question for you to answer. From the following list, which you see is now on your screen, identify the measures to curb the spread of corruption.

- a) Education
- b) Responsible and unbiased media
- c) Unbiased and powerful judiciary
- d) Effective digitization
- e) E-enabled Transparency
- f) Awareness
- g) Potent government agencies

Well, could you identify any? You know education can be considered as the most important tool against corruption. It is through education that we can create a generation which will refrain from engaging in corruptive activities. Neither they will accept bribes nor do they pay bribes. The Media can help reveal various on-going issues of corruption which can be publicized and the awareness can be spread. Media should be free and unbiased while reporting incidents but in the present scenario, it's very difficult to find such media source. Judiciary as you all know is the backbone of the government, whenever there is a dispute between the centre and the state or centre, state and citizens, it is judiciary which plays a major role by controlling the dispute and by passing judgement.

Just imagine what would happen if the judiciary is controlled and biased. Digitizing government process is the best way to control corruption, as it would make the process fast, reliable, and transparent. There are various government services which are available on e-portals. Most of the applications can now be submitted online. Transparency promotes accountability and provides information to its citizens without any barriers. Moreover, government processes should be transparent and it can be considered as the prime measure to control corruption. As citizens it is our responsibility to generate awareness regarding the issue of corruption through campaigns, short films, scholarly articles, research etc. The more we create awareness, the more people will understand the preventive measures that can be undertaken to address this menace. You might have already seen there are many short awareness videos provided on the websites and online platforms of anti-corruption bureau of some states. Last, government agencies like CBI, central vigilance commission etc. they have the power to correct the systems that support corruption. So, all the above options are the various measures to control corruption.

Now, let's briefly discuss the laws in India that are meant to address the issue of corruption. The Government of India appointed a committee on Prevention of Corruption in 1960 under the chairmanship of K. Santhanam. The recommendations covered various aspects of corruption. It was on the basis of the recommendations of this committee that the Central Vigilance Commission was set up in 1964 for looking into the cases of corruption against the Central Government and other employees. The Central Government has set up the following four departments as anti-corruption measures: i) Administrative Vigilance Division (AVD) in the Department of Personnel and Training, ii) Central Bureau of Investigation (CBI), iii) Domestic vigilance units in the Ministries/departments/public undertakings/ nationalized banks, and iv) Central Vigilance Commission.

You might have heard about the Prevention of Corruption Act, 1988. The objective of this Act is to reduce corruption in various government agencies and public sector businesses by combating against them. However, it is not only limited to taking measures to prevent corruption in government departments but also involves prosecuting and punishing the public servants involved in the activities of corruption. Well, this act also takes into consideration the persons who helped the offenders in committing the offence of either bribery or corruption. Further the 1988 Act enlarged the scope of the term 'public servant' and included a large number of employees within its ambit.

Next we have the LOKAYUKTA Act of 2013. The Lokpal and Lokayukta Act of 2013 provided for the establishment of Lokpal for the Union and Lokayukta for States. They are statutory bodies without constitutional status. They perform the function of an "ombudsman" and inquire into the allegations of corruption against certain public functionaries and for related matters. The Lokpal consists of a chairperson and a maximum of eight members. The Lokpal covers all categories of public servants, including the Prime Minister. But the armed forces do not come under the ambit of Lokpal. Now, why do we need such institutions? It's primarily because most of the anti-corruption agencies are hardly independent; they also face problems of transparency and accountability. In this context, an independent institution like Lokpal, offered a solution to the never-ending menace of corruption.

Next we have the Right to Information Act 2005. The prime objective of this act is to empower citizens, promote transparency and accountability in the working of the Government, contain corruption, and make our democracy work for the people in real sense. This act is a big step towards making the citizens informed about the activities of the Government. This law has been used by many for gaining information regarding various entitlements like rations, pensions and healthcare.

While talking about the RTI Act of 2005, I should also mention the recent RTI AMENDMENT ACT 2019 which provided that the Chief Information Commissioner and an Information Commissioner (of Centre as well as States) shall hold office for the term prescribed by the Central Government. Before this amendment, their term was fixed for 5 years. It provided that the salary, allowances and other service conditions of the Chief Information Commissioner and an Information Commissioner (of Centre as well as States) shall be such as prescribed by the Central Government. This amendment act was criticised on several levels by many intellectuals and scholars because despite stiff opposition within and outside Parliament, the government pushed the act which gives more powers to the central government. For more information regarding this debate, you can do a search on your own.

So, with this we come to the end of this lecture, in the next lecture we will discuss another social issue which is electoral malpractices.

Till then, bye and thank you.

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Lecture – 22
Electoral Malpractices

Welcome back to our lectures on social issues. In the previous lecture, we discuss about the laws and the preventive measures to be undertaken for the effective control of corruption in India. In today's lecture we will understand the meaning of electoral malpractice. Now, before we start let me ask you a simple question. Why do we need elections? I am sure you have the answer ready with you. Definitely, it is the basic mechanism by which we practice universal adult suffrage or in simple terms, our right to vote our representative through elections. Elections can be considered as an instrument of choice all over the democratic world. It serves as the basic mechanism for both electing and replacing ruling elites and for providing a regular and systematic succession in government.

It also helps us to determine how a country or a state is governed and at the same time select who will exercise state power. You know it is the principal mechanism by which citizens hold governments accountable, both retrospectively for their policies and more generally for the manner in which they govern. They also reinforce party activities and generate awareness regarding the process of election. They intensify political response and awareness of people. As I said, they educate youngsters like you people, as they are exposed to a lot of debates and discussions which are held during the time of election. They grant legitimacy to government. Election is a device through which a modern state creates among its citizens a sense of involvement and participation in public affairs. Hence, a good electoral system is the foundation of a genuine representative government.

India is a constitutional democracy with a parliamentary system of government, and at the heart of the system is a commitment to hold regular, free and fair elections. These elections determine the composition of the government, the membership of the two houses of parliament, the state and union territory legislative assemblies, and the Presidency and vice presidency. The working of Indian electoral system has witnessed several drawbacks and malpractices. The discrepancy between the votes cast for a party and the seats won in parliament, the multiplicity of political parties, personality cult in party system, exploitation of caste and communal loyalties, role of muscle and money power, misuse of governmental machinery, fraudulent practices like booth-capturing, intimidation and impersonation of voters are important drawbacks of Indian electoral system. Therefore, electoral malpractice is a major type of political corruption. It thrives in a society in which the degree of political and administrative morality is low. A transparent electoral system is one of the most important prerequisites for present day democratic practice in both developed and developing countries.

Now, amongst the following, identify any one electoral malpractice.

a) Communal hate speech

b) Embezzlement

c) Nepotism

I hope you have the answer which is option a communal hate speech. Yes, embezzlement and nepotism are forms of corruption but we are talking about malpractices which are specifically conducted during the time of elections or to influence the process of elections or the results of elections. I am sure you have understood the meaning of electoral malpractice. In the next lecture, we will discuss the types of electoral malpractices.

Thank you.

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Lecture – 23
Types of Electoral Malpractices

Welcome back my dear friends.

In the previous lecture we spoke about electoral malpractice. So let's quickly move into the types of electoral malpractices. Election malpractices range from the physical capturing of booths to the organization of youth wings of parties or goon squads who could target and terrorize particular communities before the poll to prevent them from voting. In some cases, even the poll staff could be found as bribed or may be intimidated into passive agreement.

There are many research and news articles about the progressive criminalization of politics and the emergence of politician-underworld nexus. There are certain works which speak about the necessity to address the issue of politicizing the bureaucracy. This can be understood when we observe that most of the high officials are sometimes changed with the change of a government.

In its efforts to cleanse the electoral process, the Election Commission has put a ban on transfers and promotions after the elections are announced. As you all know, election campaigning is an expensive exercise. In a country like India, where we have issues like high population, large constituency, mass illiteracy etc., a candidate has to make a close contact with the voters which require a lot of money in the process. This may eliminate men and women of ability and integrity from electoral contest for lack of financial support and it may also promote criminalization of politics.

Some of the forms of electoral malpractices include firearms display, intimidation, communal hate speech, paid news, freebies distribution like for example, to influence voters, some of the parties promise to provide money, electronic appliances, or bags, laptops etc. Well, there can be other examples for electoral malpractices like transporting voters, providing fake news, property defacement or damaging property while campaigning, money distribution, liquor or drugs distribution etc. There are some others examples of electoral malpractices such as; numerous registrations and votes by the same person, voting by underage people, Stealing important documents during elections (for example, ballot papers, registration lists of voters, etc.), partisanship or favouring of any political party by Electoral officials (officers, secretaries, observers, etc.), falsification of the final results of the elections, paying money to officers to influence the results of the elections, carrying ballot boxes outside the elections room or areas, then Taking electoral documents into personal custody and any other illegal actions performed during elections that can influence their flow. So these are some of the types of electoral malpractices which you must be aware of.

Before we leave for the next lecture, let's have a quick reflection spot.

Identify the electoral malpractice. The question is on the screen. You have to fill the blank.

_____ is a type of fraud where one person claims to be someone else while casting the vote.

And here are the options.

- 1) Intimidation
- 2) Impersonation
- 3) Favouritism
- 4) Property defacement

Well, did you identify the answer? I am sure there won't be any confusion. So, the answer is option b impersonation. Intimidation is compelling or pressurising someone, favouritism, as you know is preferring any party candidate especially by election officials and property defacement is as I discussed, causing damage to a property using painting, posters, spray painting, graffiti etc.

Ok friends. With this we come to the end of today's lecture. In the next lecture, we will understand certain preventive measures that can be adopted for curbing the menace of electoral malpractice.

Thank you. Have a nice day.

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Lecture – 24
Prevention of Electoral Malpractices

Hello friends. Welcome back.

As we have already discussed the meaning and forms of electoral malpractice. Let's just quickly go forward with our discussion on the preventive measure.

The need of electoral reforms was felt quite early in India. The various committees and commissions appointed by the parliament, government and opposition parties have made attempts in this regard.

First of such effort for electoral reforms was made in 1971. A Joint Parliamentary Committee on Amendments to Election Law was appointed under the chairmanship of Sri. Jagannath Rao. The committee submitted its report in 1972.

In 1974, another effort was made by Sri Jayaprakash Narayan who was the president of the Citizens for Democracy (CFD). As a part of this effort, he set up a committee under the chairmanship of Justice V.M. Tarkunde for electoral reforms. This committee popularly known as Tarkunde committee was asked to suggest measures to combat among other things the various forms of corrupt practices like the use of money and muscle power, misuse of official machinery and the disparity between the votes polled and the number of seats won, etc.

On the basis of this report, Sri Jayaprakash Narayan launched the people's movement against corruption and for electoral reforms and presented the People's Charter to the presiding officers of both Houses of Parliament on March 6th, 1975.

In 1977, the Janata party after gaining power constituted a cabinet sub-committee on electoral reforms headed by the then Union Home Minister Sri Charan Singh. And it was during the same time, when the chief election commissioner Sri S L Shaktiwar made significant suggestions on various issues ranging from election expenses to booth capturing.

While speaking about electoral reforms, I must also mention the contributions made by Sri. T. N Seshan. He was the Chief Election Commissioner of India during the period from 1990 to 1996. He had initiated the process of cleaning up the electoral system. The introduction of electors' photo identity cards was a measure towards this direction. Former Chief Election Commissioner Sri T.S. Krishna Murthy, who wrote the book "Miracle of Democracy: India's Amazing Journey", termed Sri. Seshan's tenure a "turning point" in the history of the Election Commission of India. Some of the reforms implemented by Sri.T N Seshan include, the enforcement of election code of conduct, Voter

IDs for all eligible voters, limit on election candidates' expenditure, appointing election officials from states other than the one facing polls etc.

Now, I have a question for you people. Let's check whether you will be able to answer this question. From the below given options, identify the app launched by the Election Commission of India for reporting a violation of the model code of conduct to be followed during elections. You have four options which are on the screen.

1. VVIP
2. PwD
3. cVIGIL
4. UMANG

Just think for a while. I am sure you might have heard about at least one of these apps. You know, UMANG or (Unified Mobile Application for New-age Governance) was developed by the Ministry of Electronics and Information Technology (MeitY) and National e-Governance Division (NeGD) to drive Mobile Governance in India. UMANG provides a single platform for all Indian Citizens to access pan India e-Government services ranging from Central to Local Government bodies. It was launched in 2017.

Then, let's look into the details of other applications. VVIP or Voter Verification and Information Programme (VVIP) for citizens can be used for verifications of their names, new registrations, changes in the voter details and corrections in the Voter Id Cards. It was launched for the 2019 general elections.

Now let's talk about PwD. It is a mobile application to enable Persons with Disabilities (PwDs) to request for new registration, change in address, and change in particulars.

Now, you might have understood that the answer for the question is cVIGIL. It stands for 'citizens' vigil'. This android-based mobile application was launched by the former Chief Election Commissioner Sri. OP Rawat, along with Sri Sunil Arora and Sri. Ashok Lavasa, on July 3rd, 2018, for the citizens to report any violation of the model code of conduct during elections. Through this app, voters can share the proof of malpractice with the authorities. But one thing we have to understand is that, this app will be functional only where and when the elections are announced, which means that you can't simply use the app anywhere or any time. It facilitates sharing of geo-tagged photographic and video evidence without disclosing the identity of the sender. To prevent its misuse, the app doesn't allow uploading of the pre-recorded or old images and videos. So, we can look at it as a fast track complaint reception and redressal system. We also need to understand that malpractices like bogus voting and impersonation are crimes. And if they are established, these can attract prosecution procedures against the voter and the polling officers who abetted the crime.

Besides, bogus voting is also a ground for declaring the election as void. It would be possible through an election petition after the declaration of results.

Ok friends, we come to an end of this lecture. We have discussed a lot about the preventive steps facilitated by our government but more importantly it is upon us to understand and take steps to ensure a just political environment. In the next lecture, we will understand the meaning of white collar crimes. So, until then, bye and take care.

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Lecture – 25
White Collar Crimes

Welcome back friends.

In the previous lecture we spoke about preventing electoral malpractices. And we are continuing our discussions on social issues.

Today we will understand the meaning of white collar crime. Now, what constitutes white collar crime? White collar crime basically denotes crime committed by the educated people belonging to a higher class of society during the course of their occupation.

We can say that these crimes are committed by powerful people belonging to a reputable class of society. The people who are committing this crime have usually a better understanding of technology, their respective field, disciplines etc. White collar crimes have evolved. And they are seen to be committed in large organizations that cover a large number of activities. So we can say that these crimes are common to various fields like trade, commerce, education, health etc.

As the criminal profile has changed a lot in few years the traditional crimes have partially replaced by the white collar crimes in the country. We also need to understand the primary difference between the white collar and blue collar crime. Studies have differentiated between white and blue collar crimes. They say that the blue collar crimes are committed by people of under-privileged sections whereas white collar crimes are done by the so called sophisticated sections of our society in a well-organized manner. They maintain their respect in the society until the crime is discovered. It is true and unfair that white collar criminals get off with civil fines rather than facing criminal punishments.

As we all know, giant corporations that pollute the environment might have to pay a million dollar penalty which might mean nothing to them while a farmer who couldn't repay his/her loan or debt might face severe penalties.

It was Edwin Sutherland, an American sociologist, who first defined the term white collar crime. He described this crime as committed by the person of high social status as compared to those who commit ordinary crimes during the course of their employment.

Now, let's look at some of the common types of white collar crimes in India.

Bank Fraud as you all know is a crime committed with an intention to deceive and gain undue advantage. It is a fraud committed on the banks. It is primarily committed by fraudulent companies by making fake representations. It is also related to the manipulation of the negotiable instruments like cheque bouncing, securities, bank deposits etc. Bank fraud is

concerned to the public at large because there is a relation of trust between the banks and the public. It is the most common type of white collar crime and also a corporate crime. It harms public as well as the government of a nation.

Bribery is also a very common type of white collar crime. It is something we have already discussed previously. When someone gives money or anything in return for a favour, it can be defined as bribery.

I must say that with changing technological advancement, cybercrime has become the biggest cause of such forms of crimes in India. It is the latest problem prevailing in the cyber world. Cybercrime involves the persons who are expert in computer related technology or people who can hire such technological experts. It is committed against someone directly or indirectly to cause a harm to their reputation or to harm them using internet, networks and other technological sources.

Money laundering is also another form of white collar crime. In this crime, criminals try to hide the original ownership of the money and the source from where they obtained that money through illegal means. Well, there prime intention through laundering is to show that money has been obtained using legal method. In simple words, money laundering means to show the illegitimate money as legal money. For instance, if a person obtains money from black marketing, trafficking of illegal goods then they cannot deposit it in the banks as it may seem suspicious as there can be issues while producing statement and tax returns.

Tax evasion is also another form of commonly found white collar crime and is committed with an intention to conceal one's actual taxable income and one's original position to the authorities. Well, as you know, the prime intention behind this concealment of income is to reduce the tax. We will have further discussion on this in the next lecture.

Now, let's move on to the impacts of white collar crime. The white collar criminals are mainly the effects of degradation of values in the society. White collar crime can have a large impact and definitely a direct impact on society. There are various numbers of frauds and scams that had been exposed in our country from the past few years like 2G scam, Hawala scam, banking scam, fodder scam and many more. These frauds and scams have had a huge impact on the economy of our country. One financial fraud can affect the businessmen, the investors and the government. All you need is one bad employee who may opt for gaining money through illegal means. It can cause harm to the reputation of the organization, its employees and the country.

There are certain legislations in India to address the menace of white collar crime like the Companies Act 1960, Income Tax Act, 1961, Commodities Act, 1955, Prevention of Money Laundering Act, 2002 etc. You know, there is no proper definition for such crimes. Such crimes should be taken up seriously and heavy penalties must be incurred from organizations or people who are involved in it.

Government should provide a public awareness regarding such crimes. Strict regulations must be imposed in case of economic thefts of our country.

So, friends, with this we come to the end of this lecture. In the next lecture, as I already said we will understand the meaning of tax evasion.

Till then bye and thank you.

Ethics and Values
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Lecture – 26
Tax Evasion

Hello everyone. In the previous lecture we had a detailed discussion on white collar crimes. Well, in this lecture we will describe tax evasion. Before, getting into the issue of tax evasion, we need to understand what is tax? You know, the most important source of our government revenue is from taxes and a tax is a compulsory charge imposed by a public authority, for example income tax.

We need to understand the difference between penalties and taxes. A public authority imposes taxes mainly to obtain revenue and resorts to penalties mainly to discourage people from doing certain things. Therefore, a tax is a compulsory contribution imposed by a public authority. There are basically two types of taxes: direct and indirect taxes. Direct tax is imposed and collected directly from the person on whom it is legally imposed while an indirect tax is imposed on one person, but paid partly or wholly by others. Income Tax, Corporation Tax, Capital Gains Tax, Estate Duty, Gift Tax, Wealth Tax come under the category of direct taxes. In the case of direct taxes the liability is determined with direct reference to the taxpayer's tax-paying ability, while in the case of indirect taxes, this ability is assessed indirectly. For instance, in case of income tax which is a direct tax, the amount of tax to be payable by a person, is determined on the basis of that person's income.

In our country's taxation system a heavy reliance is laid upon indirect taxes which amount to around 83%. Indirect taxes include sales tax, excise duties, entertainment tax, customs duties etc. One of the important reasons for increasing revenue from indirect taxes is with increasing financial requirements of revenue, it is easier to impose and revise the indirect taxes than direct taxes.

I hope you might have understood the importance of tax. So, let's move on to the definition of tax evasion. Tax evasion occurs when a person or corporation unlawfully stops paying its tax or pays a partial amount of taxes. So, tax evasion is an illegal activity in which a person or entity deliberately avoids paying a true tax liability. Those caught evading taxes are generally subject to criminal charges and substantial penalties. The activities considered as tax evasion according to the income tax act include practices like

- Concealing the Income
- Claiming excessive expenditure
- Falsification of accounts
- Inaccurate financial Statements
- Not reporting income
- Storing wealth outside the country
- Filing false tax returns

- Fake documents to claim exemption

If a person or a business company is discovered to be attempting to avoid taxation, fines can be levied based on the type of violation. For example, if incorrect pan details are provided then you would have to pay Rs 10,000/-. While discussing tax evasion, we should also understand the meaning of another term which is tax avoidance. When a person or a company legally exploits the tax system to reduce tax liabilities, we can call it as tax avoidance. Even someone establishing offshore companies in a tax haven where they may or may not have to pay any tax can also fall into the category of tax avoidance. Tax avoidance also includes hiding or faking revenue, without documentation of exaggerated deductions, without disclosing cash transactions, etc. You know if done properly, tax avoidance is actually encouraged by the government. Some examples of legitimate tax avoidance include putting your money into an Individual Savings Account (ISA) to avoid paying income tax on the interest earned by your cash savings, investing money into a pension scheme or doing charity etc.

Now, let's answer a question. Why do people evade from paying tax? A study done in India showed the top five reasons for tax evasion. The analysis showed that complicated Indian income tax structure is the prime reason for tax evasion and tax avoidance. Lack of any incentives for honest payers, lack of awareness and motivational programmes for paying income and corporate tax, illiteracy of tax payers and even inefficiency of tax administration are some of the other reasons identified in the study. So, both tax evasion and illegal tax avoidance can harm our nation's economy and as responsible citizens, it is our duty to pay our taxes rightfully. Ok friends, with this we come to the end of this lecture. In the next lecture you will be able to understand the meaning of unfair trade practices.

So, until then, bye and take care.

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Lecture – 27
Unfair Trade Practices

So, in the previous lectures we have discussed a lot about social issues such as corruption, electoral malpractice, tax evasion and white collar crimes. As citizen's we need to understand about one more social issue which is prevalent yet mostly gets ignored or remains unnoticed. There are certain legislative measures undertaken by the central government to safeguard the interests of Indian consumers. Consumer exploitation is not a new phenomenon in India. In fact, the industrial revolution and the shift of rural masses to urban areas and the anonymity of urban living gave plenty of scope for unfair business practices. In today's lecture we will understand that what constitutes unfair trade practices? Due to ever increasing population and the need for goods and services on a large scale has created a situation of a near seller's market. The consumers have a very weak bargaining power and therefore cannot assert their rights. As a result, business people are tempted to follow certain practices which can be unfair to consumers.

Many manufacturers and traders indulge in making false claims about their products, offers, foreign collaboration and sometimes the ingredients of their product. And as consumers, most of us don't even think about it and are driven by the various attractive offers or discounts presented to us. The consumers are mostly unaware of their rights, and they feel discouraged in pursuing their complaints due to the disproportionate cost involved in redressal and who wants to run behind court procedure? In order to protect consumers from unscrupulous and unethical practices by business people, the Indian Government, from time to time, has enacted different laws. Some of these Acts are as follows:

- Sales of Goods act, 1930
- The Drugs and Cosmetics Act, 1940
- Prevention of Food Adulteration Act, 1954
- The Essential Commodities Act, 1955
- The Indian Standards Institution Certification Act, 1952
- Agricultural Products and Grading and Marketing (AGMARK) Act, 1937
- The Standards of Weights and Measures Act, 1956
- Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980

These legislations were designed to offer protection to consumers in respect of price, quality, service, information, safety, etc. The MRTP Act (Monopolistic and Restrictive Trade Practices Act), 1969 can be considered as a specific consumer protection legislation with the amendments brought in it in 1984. You must know that till 1984, there was no concept of unfair trade practice (UTP). In spite of the change in the MRTP Act, 1984, it was felt to

develop more elaborate consumer protection legislation because of certain limitations in the Act and as a result, the Consumer Protection Act 1986 was born. It is usually described as a unique legislation of its kind ever enacted in India to offer protection to the consumers.

Well, we must also understand that apart from enactments of these legislations, it is also highly necessary to adopt measures to educate consumers to organize themselves for collective action. And in this respect we can say that the consumer movement has not made much progress in India. In India, the Consumer Protection Act, 1986 has extended a statutory recognition to some of the rights of consumers. It has laid down the following six acts:

- a) Right to safety
- b) Right to be informed
- C) Right to choose
- d) Right to be heard
- e) Right to seek redressal
- f) Right to consumer education

So, that was a brief introduction regarding consumer rights and the need for consumer protection. Now, let's understand the meaning of unfair trade practice. The definition of unfair trade practices in India can be found in two laws MRTP act, 1969 and the Consumer Protection act, 1986. There is no much difference between the two definitions and we can define it as a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or deceptive practice including any of the following practices, namely:

- The practice of making any statement, whether orally or in writing or by visible representation which:
 - falsely represents that the goods are of a particular standard, quality, quantity, ride, composition, style, or model;
 - falsely represents that the services are of a particular standard, quality or grade;
 - falsely represents any re-built, second hand, renovated, reconditioned or old ' goods as new goods;
 - represents that the goods or services have sponsorship, approval, performance, characteristics, accessories, uses or benefits which such goods or services do not have;
 - represents that the seller or the supplier has a sponsorship or approval or affiliation which such seller or supplier does not have;
 - makes a false or misleading representation concerning the need for, or the usefulness of, any goods or services;
 - gives to the public any warranty or guarantee of the performance, efficiency or length of life of a product or of any goods that is not based on an adequate or proper test.

- materially misleads the public concerning the price at which a product or like products or goods or services, have been or are ordinarily sold or gives false or misleading facts disparaging the goods, services or trade of another person
- Permits the publication of any advertisement, whether in any newspaper or otherwise, for the sale or supply at a bargain price of goods or services that are not intended to be offered for sale or supply at the bargain price, or for period that is, and in quantities that are reasonable, have regard to the nature of the market and size of business, and the nature of advertisement.
- Permits (a) the offering of gifts, prizes or other items with the intention of not providing them as offered or creating impression that something is being given or offered free of charge when it is fully or partly covered by the amount charged in the transaction as a whole; (b) the conduct of any contest, lottery, game of chance or skill, for the purpose of promoting, directly or indirectly, the sale, use or supply of any product or business interest;
- Permits the sale or supply of goods intended to be used, by consumers, knowing or having reason to believe that the goods do not comply with the standards prescribed by competent authority relating to performance, composition, contents, design, construction, finishing or packaging as are necessary to prevent or reduce the risk of injury to the person using the goods.
- Permits the hoarding or destruction of goods, or refuses to sell the goods or to make them available for sale or to provide any service,

Now, let's have a quick reflection spot, amongst the following two practices which one can be regarded as an unfair trade practice?

1. Shopkeepers providing a candy or chocolate in place of one rupee.
2. Shopkeepers distributing free pens with every product without charging extra money

You might have experienced this some times. Which one do you think is the right answer? Ok, so the right answer is option 1. Often shopkeepers give a candy or chocolate in place of one rupee and they would say, "I don't have any change so please you have this". But have you ever thought that, what will happen if you give the same candy back to the shopkeeper in place of one rupee. Would they take it back? No, definitely not, they won't because sometimes it won't have cost them any money or maybe they got it as a complimentary product or maybe they got at a low cost. So until and unless you are in need of a chocolate or candy, you don't have to accept this. You can tell them to give the exact change or nowadays we have the option of online payments using many apps, so you can transfer the exact amount through digital transaction.

Now, let's look at the definition provided in the MRTP act of 1969 which is not so different from the previous one. According to the MRTP act of 1969, An' unfair trade practice means a practice which for the purpose of promoting the sale, use or supply of any goods or for the provision of any services, adopts any unfair method or unfair or deceptive practice including the practices mentioned. The following are the unfair trade practices:

- Misleading advertisement and false representation.
- Bargain sale, hail and switch selling.
- Offering gifts or prizes with the intention of not providing them and conducting promotional contests.
- Non-compliance of product safety standards.
- Hoarding or destruction of goods.

So, in simple terms unfair trade practices refer to the use of various deceptive, fraudulent, or unethical methods to obtain business. Unfair business practices include misrepresentation, false advertising or representation of a good or service, tied selling, false free prize or gift offers, deceptive pricing, and noncompliance with manufacturing standards.

An unfair trade practice is sometimes referred to as “deceptive trade practices” or “unfair business practices” also. Unfair trade practices are commonly seen in the purchase of goods and services by consumers, tenancy, insurance claims and settlements, and debt collection. For example, Government filed an action against the Swiss manufacturer of Maggi noodles, seeking about Rs 640 crore in damages for alleged unfair trade practices, false labelling and misleading advertisements in the year 2015.

Apart from unfair trade practices, you must also be aware of the meaning of two terms monopolistic trade practice and restrictive trade practice. Well, I will just give you a brief description of their meaning. Monopolistic trade practices can be defined as the trade practices which are likely to have an effect of maintaining unreasonable control over the price, quality, supply and distribution of products and it can even unreasonably prevent or lessen competition. Restrictive trade practices can be defined as trade practices which have or may have the effect of preventing, distorting or restricting competition in any manner and may also tend to obstruct the flow of capital and manipulate the price and condition of delivery.

Ok, so with this come to the end of this lecture and module 3. I hope you have gained a lot of insights regarding social issues which affect us as a citizen and an individual. So in the next lecture I will be back with another set of topics which are primarily associated with addiction and its impact on individual health. Until then, bye and take care.