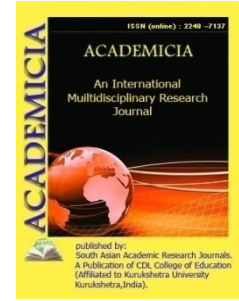




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CORRUPTION: A CHALLENGE FOR THE NATION

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ABSTRACT

In this paper an attempt has been made to identify the impact of Corruption in our society. The first section deals with the meaning of Corruption and second section focuses on agencies of anti-corruption, while the third section highlights the anti-corruption measures and the last section of the paper dwells upon conclusion. The nation lost \$ 213 billion (roughly Rs.9.7 lakh crore) in illegal capital flight between 1948 and 2008. However, over \$125 billion (Rs.5.7 lakh crore) of that was lost in just its decade between 2000-2008, according to a study by Global Financial Integrity (GFI). The Commission receives complaints against corruption and malpractices directly from the aggrieved citizens. It can also gather information about the same from press reports, audit reports, various department/enterprises concerned, allegation made by Member of Parliament and Reports of Parliamentary committees.

KEYWORDS: *Corruption, its Challenges and remedies*

INTRODUCTION

“Power corrupts and absolute power corrupts absolutely”.-Lord Acton¹²

Corruption is now recognized to be one of the world's gravest challenges. It is a major hindrance to sustainable development, with a disproportionate impact on poor communities and is corrosive on the very fabric of society. Corruption is not only an enemy of development; it is also an antagonist of democracy. Over the past few decades, rampant corruption has bred contempt for the law. The failure of the law to catch the corrupt and deliver deterrent punishment to them has led to wide spread cynicism among the people. It has also resulted in a decline in moral values across society.¹⁷

Kautilya, the author of “arthashastra” described 40 different kinds of corruption in his book. He remarked: “Just as it is impossible to taste honey or poison when it is at the tip of the tongue, so it is impossible for a government servant not to eat up a bit of revenue. And just as it

cannot be found out whether a fish swimming through water drinks or not, so government servant cannot be found out while taking money for themselves.”¹⁵

Meaning of Corruption

According to David H. Bailey, “Corruption is a general term covering misuse of authority as a result of consideration of personal gain, which need not be monetary.”⁷

Corruption is a term with many meanings, but generally it entails misusing one’s office/authority for a private gain or unofficial end. It involves both a monetary and non-monetary benefit. Bribery, extortion, nepotism, scams, fraud, ‘hush money’, and opportunism readily spring to mind.⁴

Power+ Discretion-Accountability + Responsibility = Corruption

National Scenario

Corruption in India is a consequence of the nexus between bureaucracy, politics, judiciary and criminals. It is not an exaggeration to talk about corruption terms of a crisis or a cancer endangering India’s society, democracy and economy. There has been a drastic increase in transactions at Central, State and Local Governments, which creates opportunities for corruption.

Corruption is a cancer, which every Indian must strive to cure. Many new leaders when come into power declare their determination to eradicate corruption but soon they themselves become corrupt and start amassing huge wealth. Thus, the number of ministers with an honest image can be counted on fingers.¹

Corruption in Indian Context

India is losing nearly Rs.240 crore every 24 hours, on average, in illegal financial flows out of the country. The nation lost \$ 213 billion (roughly Rs.9.7 lakh crore) in illegal capital flight between 1948 and 2008. However, over \$125 billion (Rs.5.7 lakh crore) of that was lost in just is decade between 2000-2008, according to a study by Global Financial Integrity (GFI). These “illicit financial flows,” says GFI, “were generally the product of corruption, bribery and kickbacks ,criminal activities and efforts to shelter wealth from a country’s tax authorities.” The GFI study makes two vital points amongst others that will surely stock ongoing debate in the country. One: the drain bloated massively in the era of economic liberalization and reforms starting with 1991. Two: “high net- worth individual and private companies were found to be primary drivers of illicit flow out of India’s private sector.” Conversely, “India’s underground economy is also a significant driver of illicit financial flows.” Thus, India has lost nearly half-trillion dollars in illegal financial flows out of the country. “International Transparency Report” (IT) indicates that India has 74th rank in World [Corruption Ranking 2011](#).²¹

Impact of Corruption

Globally, there is a general consensus amongst most academics and policy makers that the debilitating effects of corruption permeate through all aspects of public life. Several studies have shown that corruption not only stifles growth, it also perpetuates inequalities, deepens poverty, causes human sufferings, dilutes the fight against terrorism and organised crime, and

tarnishes India's image globally. The impact of corruption is multifold, encompassing: political costs, economic costs, social costs, environmental costs and issues of national security.

(a) Political Costs: The political costs of corruption are manifested in weakened public trust in political institutions, reduced political participation, perversion of the electoral process, restricted political choices available to citizens and loss of legitimacy of the democratic institution and democracy itself.

(b) Economic Costs: Corruption reduces economic efficiency by misallocation of resources in favour of rent-seeking activities, increasing the cost of public transactions, acting as an additional tax on business thereby reducing foreign direct investment, reducing genuine business competition.

(c) Social Costs: The effect of corruption on the social fabric of society is perhaps the most alarming damage of all. It undermines people's trust in the political system, its institutions and leadership. Corruption distorts the value systems and wrongly attaches elevated status to occupations that have rent seeking opportunities. This results in a disillusioned public, a weak civil society, which attracts unscrupulous leaders to political life. Eventually, there is a risk that demanding and paying bribes could become the norm.

(d) Environmental Costs: Environmental degradation is an indirect but serious consequence of corrupt systems. Environmentally devastating projects are given preference in funding, because they are easy targets for siphoning off public money into private pockets.

(e) Issues of national security: Corruption within security agencies can lead to a threat to national security, including through distortion of procurement, recruitment of incompetent persons, providing an easy route for smuggling of weapons and terrorist elements into the country and money-laundering.¹⁴

Anti-Corruption Agencies

India has a number of institutions at the Federal, State and local level with authority to deal with allegations of corruption. Each state is responsible for setting up local anti-corruption agencies that have powers to investigate cases of corruption involving public officials at state level. The most important anti-corruption institutions are discussed below:

There have been many legislative and administrative reports to combat menace of corruption in India. Public servants in India can be penalized for corruption under the Indian Penal Code, 1860 and the Prevention of Corruption Act, 1988. The Benami Transactions (Prohibition) Act, 1988 prohibits benami transactions. The Prevention of Money-Laundering Act, 2002 penalises public servants for the offence of money laundering. India is also a signatory (not ratified) to the UN Convention against Corruption since 2005. The Convention covers a wide range of acts of corrupt proposes certain preventive policies.²⁷

The Former Prime Minister Lal Bahadur Shastri in 1964, set up the "*Santhanam Committee*" to review the problem of corruption and give suggestions to make existing measure and, machinery more effective.⁸

Central Bureau of Investigation (CBI)

The CBI was set up in 1963 by a resolution of the Ministry of Home Affairs. Presently it is under the Ministry of Personnel, Pension & Public Grievances and enjoys the status of an attached office. The CBI consists of three divisions: *the Anti-Corruption Division, the Special Crimes Division, and the Economic Offences Division*. These units have the power to investigate cases of alleged corruption in all branches of the central government, ministries, public sector entities and the Union Territories. The CBI does not have the power to investigate cases in the States without the permission of the respective state government. However, the Supreme and High Courts can instruct the CBI to conduct investigations. In 2008, the CBI launched a successful corruption awareness campaign via text message in collaboration with telecom service providers in Delhi and Mumbai. The CBI has a *whistleblower/complaint mechanism* on its website, where corruption can be reported.²

Central and State Vigilance Commission (CVC&SVC):

The CVC is an independent watchdog agency established in 1964. While CVC was neither a constitutional nor a statutory body, before August 1998 Act, this ordinance has given the CVC wide ranging power to supervise the functioning of investigation agency like the CBI and Enforcement Directorate and recommend appointment of their heads. The jurisdiction and power of the Commission cover all the employees of the Central Government, all the employees of Public Undertakings, Corporate bodies and Delhi Metropolitan Council etc. however, its present jurisdiction is limited to the gazette officers and officers of equivalent status only. It advises on individual vigilance cases relating to higher civil servants. It has not power to probe into the cases of political corruption. The Commission receives complaints against corruption and malpractices directly from the aggrieved citizens. It can also gather information about the same from press reports, audit reports, various department/enterprises concerned, allegation made by Member of Parliament and Reports of Parliamentary committees. The Commission submits its annual report to both Houses of Parliament. Various States have also on the pattern of CVC, established State Vigilance Commissions in the 1964, with similar functions as that of the CVC.¹⁰

Lokpal and Lakayukta:

The Administrative Reforms Commission of 1966 to recommend the creation of two special authorities designated as Lokpal and Lakayukta. The Lokpal was intended to deal with complaints against administrative acts of ministers and secretaries at Central & State level, and the Lakayukta (in every state) would deal with complaints against other specified higher officials. There is no institution of Lokpal at Central level in India.

According to [*Global Integrity Report 2009*](#), the Lokpal Bill (Ombudsman Bill) was introduced to the Parliament eight times but every time failed to become law. The draft of Lokpal Bill 2010 was sent to Prime Minister Manmohan Singh and chief ministers (every state) in December 2010; however, no answer has been received.²⁵

On this issue, Many a time thousands of citizens marched in Delhi to protest against corruption, and demand for an effective anti-corruption law and the passage of the Lokpal Bill. One important issue came in existence that is Anna Hazare's campaign (Jan Lokpal Bill) against corruption. This bill recommends some measures to combat the corruption:

- There should one single act be provided for both the Lokpal in the Centre and Lokayukta in all States.
- The Prime Minister should be brought within the purview of the Lokpal.
- The Judge of the Supreme Court/ High Court should be brought within purview of the Lokpal
- Whether Articles 311& 320(3)(c) of the constitution notwithstanding, members of Civil Service of the Union or an All-India Service or a Civil Service of the State be subject to enquiry and disciplinary action including dismissal by the Lokpal/Lokayukta, as the case should be.
- The definition of the Lokpal and should it itself exercise quasi-judicial powers also or delegate these powers to its subordinates officers.
- There should be a Citizen Charter in each department/organization at Centre, State and Local Levels.

These recommendations of Jan Lokpal Bill have accepted by the Parliament in Monsoon Session (August, 2011).¹⁹

Comptroller and Auditor General (CAG):

The Constitution of India (Article 148) provides for an independent office of the Comptroller and Auditor-General of India (CAG). He is the head of the Indian Audit and Account Department. He is the guardian of the public purse and controls the entire system of the country at both levels-the centre and State. His duty is to uphold the Constitution of India and laws of Parliament in the field of financial administration. This is the reason why Dr B.R. Ambedker said that the CAG shall be the most important officer under the Constitution of India. He is one of the bulwarks of the democratic system of government in India; the other being the Supreme Court, Election Commission and the Union Public Service Commission.³

The occasion of the initiation of year-long celebrations to mark 150th years of the institution, the CAG has sought to improve the accountability of the executive by producing several reports on various subjects, including state departments, railways, telecommunications, state-owned companies, tax administration and big corruption as 2G scam (\$38.6 billion) and Commonwealth Games (\$1.5 billion). These reports have revealed many financial irregularities in various branches of the centre and state; however, the government allegedly often fails to act on the findings of the reports.²²

Supreme Court and High Court:

The [*Bertelsmann Foundation 2010*](#) reports that secondary powers, such as the Supreme and High Courts, have become more proactive in carrying out their duties. Judges have displayed unprecedented activism in response to Public Interest Litigation over official's corruption, environmental issues, and other matters, and this expanded role has received considerable public support. The Supreme Court has been taking and tackling corruption seriously in recent years, both in general and political domains. The Supreme Court has challenged the legislative

decisions of ministers and the exercise of powers to pardon politically connected individuals based on 'arbitrary' and 'irrelevant' considerations.

The judiciary exercises control over administration, politician, Abuse of authority and corruption events through the following methods or techniques: as Judicial Review, Public Interest Litigation (PIL), Judicial Activism, Gram Nyalaya and Extraordinary Remedies.²⁴

Parliament and Its Committees:

The Parliamentary system of government prevalent in India is based on the principle of collective responsibility. It means that the ministers are responsible to the parliament for their policies and actions. Thus, the legislative control over administration under such a system is only indirect, i.e. through ministers. The officials (administrators) cannot be held responsible to the parliament directly. They take shelter behind the principle of ministerial responsibility and remain anonymous. In other words, it is the minister who assumes responsibility for the actions of the administrators working under his ministry/ department.

The Parliament exercises control over administration, politicians, judiciary and departmental corrupt events through the executive in the following ways:

1. General control over the policies and actions of the government through questions, discussions, motions and resolutions.
2. Financial control through budget and audit.
3. Detailed control (as Parliament rules and functions) through committees; Public Account Committee (PAC), Estimates committee, Joint Parliamentary committee (JPC) etc.⁹

The Chief Information Commission (CIC)

The Chief Information Commission (CIC) was established in 2005 and came into operation in 2006. It has delivered decisions instructing government, courts, universities, police, and ministries on how to share information of public interest. State information commissions have also been opened, for giving practical shape to the Right to Information Act 2005 (RTI Act), although they have not been immune to criticism. Of India's 28 states, 26 have officially constituted information commissions to implement the RTI Act. Nine states pioneered access to information laws before the RTI Act was passed. One state has complimented the quality of law, but mourned the 'lukewarm response of a largely unaware citizenry'. According to the Transparency Reviews regularly published by the [Centre for Media Studies](#), however, awareness has been increasing towards the end of 2008.⁶

The Role of Civil Society

Over the past decades, civil society organizations (Voluntary or non-governmental organizations) have been playing a more effective role in the fight against corruption, and the importance of their involvement is increasingly recognized. Civil society organizations represent most of all, an important contribution for citizen involvement in governance and policy processes. Such involvement can exert pressure on power holders in a country and can provide valuable feedback about the effectiveness of anti-corruption measures.¹³

Anti-Corruption Measures:

It is not possible in any short treatise to dwell upon all the possible strategies for combating corruption. A holistic analysis would demand a focus on socio-cultural, economic, political, administrative, legal-judicial and even technological aspects of reforms in the government system. So the country has not yet reached the point of no return. A set of measures which can be helpful are given:

- Corruption is a multi-dimensional problem having legal, political, economic, psychological, and administrative appearance. There is the need of an effective integrated approach.
- There is a quick need to provide Constitutional status to institutions, such as Ombudsman (Jan Lokpal Bill, 2010) at the Centre and State level.²³
- The Central Vigilance Commission (CVC) should prevent misuse of discretion and corruption by politicians as well as administrators.
- The work load of the CBI has of-late increased being the premier investigation agency in corruption cases. It should be made autonomous and be staffed with competent and honest officers.
- Corruption will flourish until the general mass of people resists it with determination and strength. There is the need to provide and build healthy public opinion against corruption.
- The root cause of proliferation of corruption seems to be the complicated procedures of the government offices. These procedures need to be evaluated and simplified. Delays must be prevented and officials made fully responsive to the needs of all people.
- The salary structure should be fair, so that employees can fulfill their basic needs without resorting to corrupt practices.
- There are several rules and instructions dealing with Government servants:
 - All India Services (Conduct) Rules, 1954
 - Central Civil services (Conduct) Rules, 1955
 - Railway Services (Conduct) Rules, 1956

In this regard Justice H.R Khanna has observed: “The present condition of rules of conduct or declaration of assets cannot assure rectitude among ministers and other members in the public life. What is needed is a climate of strong public opinion wherein none may dare to deviate from the path of rectitude. The ramparts of a clean and healthy administration are within the hearts of people; laws can only punish occasional lapses.”¹⁶ So effective implementation of Conduct Rules is required.

- The fountain head of corruption in India is election fund .It has to be made more rational. Donations to political parties should be made more transparent. There is a need of quick reforms in Election system of India.
- A system of performance appraisal of public servants and rewards appropriate to their performance may help reduce illegal money transaction. The present system automatic

promotion, annual increments and the like, based on seniority should be scrapped to ensure efficiency, discipline, honesty and integrity.

- The complicated and confusing laws should be amended. The judicial system must become active to prevent further erosion of national ethos and ethics. The Indian Prime Minister, Manmohan Singh expressed concern over growing incidents of corruption in judiciary and said “judiciary should bring accountability and transparency in its functioning”, on the occasion of inauguration of Third Conference of Chief Justices and Chief Ministers at Vigyan Bhawan. Chief Justice of India R.C. Lahoti declared the year 2005 as the “Year of Excellence in Judiciary” and said there will be no place for any corrupt or indolent in the system.⁵
- Rules and Legal provisions should be amended to enable immediate and exemplary prosecution and removal of corrupt officials without recourse to any political protection.
- Elimination of corruption in public services should address preventive, surveillance and deterrent punishment and deal ruthlessly with the nexus of officials with criminal elements and venal political functionaries.
- Adoption of Code of Conduct and Ethics not only for civil servants but also all public functionaries, media, political parties, professionals, and the corporate sector based on constitutional principle and moral values.
- Transparency and accountability in matters of public finance should also be promoted. Specific requirements are identified for the prevention of corruption in particularly vulnerable areas of the public sector, such as the judiciary and public procurement. Those who use public services are entitled to expect a high standard of conduct from their public servants.
- Preventing public corruption also requires an effort from members of society at large. For these reasons, the Convention calls on countries actively to promote the involvement non-governmental and community-based organizations, and to raise both public awareness of corruption and what can be done to combat it.²⁶
- A reason for India’s ineffective anti-corruption strategy is lack of political will. There is indeed, political will is the critical ingredient for an effective anti-corruption strategy because the political leaders must demonstrate their commitment by providing- (1) adequate resources for combating corruption, (2) comprehensive anti-corruption laws, (3) an independent anti-corruption agency and (4) punishment for those found guilty of corruption, regardless of their status or position in society.¹¹
- There is now a vast accumulation of Audit Reports is submitted over the years both at Centre and the State level, and not all the matters reported upon have been discussed in Parliament or in the State Legislatures or in the media. There is need to properly use of Audit Report in all avenues.²⁰
- The Civil Society Organisation (Voluntary or non- governmental organisations) plays an important role in the welfare & development; and these days like as governance and

corruption (Jan Lokpal Bill 2010). There is a need to Constitutional assistance for strengthen of Civil Society.¹⁸

- The issues of black income (a sum of \$ 1500 billion (Rs 67, 50,000 crore) Indian money has been stashed in Swiss bank account alone) also at high places have come to attract considerable attention from civil society at large. Some eminent social activists, including a yoga guru, have started serious campaigns for the eradication of this scourge. The demand for getting back money believed to be stacked in Swiss bank accounts has been getting louder by the day.

CONCLUSION

Corruption is an intractable problem. It is like diabetes, 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 the most important prescriptions to combat corruption. Corruption has a corrosive impact on our economy. It worsens our image in international market 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.

We need reforms in almost all walks of life. Above all we need a strong political will to curb it, an efficient and responsible judicial system to meet out exemplary punishment on guilty persons. The attitude towards corruption and corrupt people need to be changed. It should not be tolerated but also restricted, and then only we can make an equitable society with progressive outlook. The time has now come now to root it out from its roots.

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