

**ADMINISTRATIVE CORRUPTION IN INDIA SINCE
INDEPENDENCE — CAUSES AND REFORMS**

**Dissertation Submitted to the Jawaharlal Nehru University in
partial fulfillment of the requirements for the award of the degree of**

MASTER OF PHILOSOPHY

REENA SEHRAWAT

**CENTRE FOR POLITICAL STUDIES
SCHOOL OF SOCIAL SCIENCES
JAWAHARAL NEHRU UNIVERSITY
NEW DELHI 110067, INDIA**

2001



CENTRE FOR POLITICAL STUDIES
SCHOOL OF SOCIAL SCIENCES

July 28, 2001

CERTIFICATE

This is to certify that dissertation entitled **ADMINISTRATIVE CORRUPTION IN INDIA SINCE INDEPENDENCE – CAUSES AND REFORMS** submitted by **REENA SEHRAWAT** is partial fulfillment of the requirements for the award of the degree of **MASTER OF PHILOSOPHY**, is his own work and has not been previously submitted for any other degree of this or any other University.

We therefore, recommend that the dissertation may be placed before the examiners for evaluation.

DR. SUDHA PAI
(Chairperson)

(acting Ch.)

PROF. KULDEEP MATHUR
(Supervisor)

CHAIRPERSON
Centre for Political Studies
School of Social Science-II
Jawaharlal Nehru University
New Delhi-110067

Dedicated to my parents

whose blessings I seek

CONTENTS

	<i>Page</i>
INTRODUCTION	1-9
CHAPTER I CORRUPTION: CAUSES AND CONSEQUENCES	10-44
CHAPTER II CORRUPTION IN VARIOUS DEPARTMENTS	45-67
CHAPTER III COMMITTEES AND COMMISSIONS RELATED TO CORRUPTION	68-99
CHAPTER IV STRATEGIES FOR COMBATING CORRUPTION	100-124
CONCLUSION	125-128
Bibliography	129

ACKNOWLEDGEMENTS

My deepest gratitude to my Supervisor Prof. Kuldeep Mathur who helped in clarifying various nuances and arguments related to the subject matter. His thorough scrutiny and critical analysis coupled with suggestions for improvement added to the quality of the dissertation. Besides, books and references suggested by him helped me to acquire a better understanding of the phenomenon of corruption.

I would also like to thank my family — my parents, Seema, Sonu, Monu, Priya, and Ashish whose love and support provided me much needed encouragement for the project.

I am also thankful to the employees of Jawaharlal Nehru University Library and Teenmurti Library for their selfless help without which completion of this work was not possible.

Last but not the least my friends, especially, Monica, Jai, Sadanand, Gayatri, Nishikant, Chittaranjan, Amit and Manoj in whose company I enjoyed working on my dissertation. Besides, Mr. Saji C.G. deserves special thanks for typing this dissertation.

New Delhi

July 23, 2001


REENA SEHRAWAT

INTRODUCTION

Our ideas about morality inevitably encompass notions of right and wrong, good and bad and other evaluations. This applies to corruption too. It is a term used to connote a wide range and plethora of activities and practices that deviate from the notion of what is considered as the norm or regarded as appropriate.

As a result, it is not surprising that ideas of what constitutes corruption varies spatially and temporally. Custom, tradition and laws framed by society for its smooth work also often play a vital role in determining ideas about corruption. An action contrary to established social norms or usages may be deemed as corrupt and as such it is difficult to arrive at a singular form of corruption.

Moreover ideas about corruption within the same society also vary according to group differences and self interest. We have therefore to consider only such forms of corruption generally common within a society and sometimes across societies, too.

Today, corruption as a phenomenon pervades different spheres of society. When we consider the different aspects of society and administration we come to the conclusion that family and administration are the two starting points of

corruption, and of the two the administration is its main breeding ground, as in all ages the lives and liberties of the individuals as well as the society have been more or less dependent upon the administration – civil and judiciary. From this it naturally follows that if the society and the government or administration justify their purpose for which they were brought into existence, we may then hope for a world free from corruption. If the government is corrupt, society is bound to be corrupt and if the society is corrupt, corruption is sure to pervade different walks of individual's life. It has been rightly said that administration indirectly shapes the body and mind of a man, who is a product of a combination of forces at work in administration and society. No man is born corrupt, but then he is not immune from the various influences either, which different institutions exert upon his mind and accordingly shape his future growth. In other words, an honest administration generally produces honest citizens whereas a corrupt administration generates in them the sinister trend of taking to corrupt practices to achieve their objectives, giving way to all ruined degeneration in the society.

REVIEW OF LITERATURE

The above analysis of administrative corruption is not drawn from any survey research or questionnaire based study, but is based on the study and review of a set of books and articles written by eminent personalities and persons belonging to the administration themselves. These include :-

Dwivedy and Bhargava in their book "Political Corruption in India", say that corruption is not merely a economic question concerning some individuals quickly

getting rich. It affects not only the daily life of the citizens but the future development of the nation as well. As the administration is the instrument of economic planning, the authors opine that if the tools are defective the work is bound to be shoddy. Over the years, the government has been either ignoring or belittling the problem of corruption on one excuse or the other. The authors in this book after analysing in detail the roots of corruption, cost and giving different instances of corruption, want the people to be vigilant and appeal the people that they should strive to replace the corrupt government by a more honest administration.

Gill in his book "The Pathology of Corruption", also holds the same view. He is of the opinion that – corruption is a world phenomenon and insatiable human greed is its driving force. In this book the author has tried to explain the phenomenon of corruption from the systematic angle and has shown how it is eroding the very foundations of our polity. After analyzing corruption at respective government level, he concluded that all these distortion and corruption is due to the indulgence of the people inspite of eradicating it is the root cause of corruption to spread its tentacle.

N. Narayanasamy *et al.*, in their edited book "Corruption at the grassroots: The shades and shadows", also of the some view that corruption has penetrated into our cultural fabric. It is an inbiquitous phenomenon spreaded across the breath and length of both the developing and developed world. While talking about India they held that India has the dubious distinction of being one of the ten

most corrupt countries in the world. At the same time it has a substantial number of the world's poor and illiterate. Being fuelled by ignorance corruption flourishes amidst poverty. Corruption by the bureaucracy at the micro level remains to be predominant at the grassroots level and they make poor people poorer and the bureaucrats richer. They conclude that this is a sad trend in the rural sector and hence to be stalled forthwith.

The edited book "Corruption in India: Agenda for Action", by S. Guhan and Samuel Paul, provides a wide range review of the problems and constraints of the public institutions, legal systems and process and behaviour pattern in our society that they have contributed to the growing phenomenon of corruption. The authors have analysed the political and bureaucratic process at work, and assessed the legal and institutional reforms needed to combat corruption. The authors have also highlighted directions for change and reform that government and society need to initiate and support in order to improve probity in public life. They authors have suggested that the propensity for corruption in any society can be controlled only by systematic reducing the incentives and opportunities to engage in corrupt practices. They have presented four action areas like reform of the political process, restructuring and reorienting the government machinery, empowerment of citizens and creating sustained public pressure for change, as the essential building blocks for a national agenda for the control of corruption.

Vittal and Mahalingam, in there edited book "Fighting Corruption and Restructuring Government", talked about fighting corruption and restructuring

government in the context of globalisation and the reform process in India. The Authors have tried to suggest solutions after analysing the various process of reforms, government and corruption.

Maheshwari in his book "Administrative Reform in India", discusses in detail the various aspects of administrative reforms, its significance in developing societies. It also suggest some valuable reforms to be adopted by different political parties in India. The author has also meticulously tried to focus the three kinds of administrative sources like-political process, administrative reform agency.

Singh, in his article "In Search of Ombudsman - A comment on Lokpal Bill, 1996", critically examines various aspects of the current Lokpal Bill, 1996 and offers suggestions pertaining to its composition, term, jurisdiction, procedure of inquiry etc. which need to be carefully looked into before the Bill's enactment.

Gopinath, in his article "Central Vigilance Commission: A profile", had given a brief background of setting up of CVC, its role, powers, etc. He had also analysed in detail its performance over the years covering several important functional aspects and difficulties experienced therein. He further suggests both preventive and punitive vigilance in checking corruption effectively.

Agarwal, in his article "Gallopung Corruption: Need for Effective Vigilance", traces briefly the evolution of corruption in India since 1939 till the present times. He then suggests measures which, according to him, are necessary to effectively check corruption.

Sundaram, in his article "Recent Initiatives for Administrative Reform in India", had given the background and rationale of recent thrust of administrative reforms in India and identifies the dominant issues currently engaging attention of other nations regarding administrative reforms and relates India's response thereto. He then discusses the latest perspective of reforms which emerged in the conference of CMs in May 1997 and the follow up action thereon.

Godbole, in his article "Bureaucracy at Cross-Roads", looks at the affliction of our bureaucracy as reflected from its poor image due to politicisation, eight trip of tycoons and godmen etc. He also suggested some remedial measures - checking transfers, statutory civil service boards, transparency and right to information etc.

Shukla, in his article "A vision for the future: A proposed action plan to save the nation", presents a discussion on a package of corrective measures for our system of governance over the past five decades. He suggests a 6-points strategy for the purpose comprising cleansing of political system (through electoral reforms), tackling corruption (through mustering political will to carry out needed changes), civil service reforms, ensuring openness and transparency, choosing

right persons for constitutional positions, and population control.

Dubhashi, in his article "Restructuring and Reform of Indian Political Administrative and Economic System", makes an analytical presentation on the political, administrative and economic components of our system that we adopted 50 years ago, followed by a pointwise presentation on the malaise that has set in our system, and then, to remedy it gives a systematic reform agenda touching all the three components.

However, all these literature of the above mentioned authors and although there are also available various literature on it, those are mostly nothing but the intellectual attempt and are inconclusive. This is where this proposed researched topic would try to bridge the gap.

OBJECTIVES OF THE STUDY

Given the linkage between the phenomenon of corruption in society and nature of administration therein, the endeavour, here, is to have a look at the phenomenon of administrative corruption in India since independence. This, to then includes a study of causes and ramifications of the practice that prompts those in power to misuse and deviate from norms and rules. Administrative corruption in its various manifestations and forms, as evident in various departments is also the focus. Finally, the remedies both at the governmental level and that of the public are explored.

CHAPTERISATION

So, beginning with an elucidation on the nature and forms of corruption, the first chapter in this dissertation moves on to focus on the causes and damaging consequences of corruption.

In the second chapter, to get a better taste of the phenomenon in question, corruption as it pervades in various administrative departments — especially police, judiciary, Income tax, Finance, Customs and Excise is dealt with.

The third chapter looks at various commissions and committees along with various statutory provisions enacted since 1947 by the Indian Government to combat corruption with its own ranks — in the administration.

The overcoming of strategies for combating corruption is the theme of fourth chapter. Based on the premise that corruption is not an isolated phenomenon the chapter argues that judicial, political, economic and educational reforms can go a long way in tackling corruption in the administration.

The dissertation concludes by putting forth a set of proposals for administrative reforms with the firm belief and conviction that corruption will disappear from the society if the people in different walks of public life keep

society above their own narrow self and carry out their duties honestly and with a missionary zeal.

Chapter I

CORRUPTION: CAUSES AND CONSEQUENCES

As a general and pervasive phenomenon, it involves and affects different aspects of our social and political life. In doing so, it is a matter of concern that cannot be ignored or overlooked. Whether it is the question of seeking an admission in a school, paying an electricity or telephone bill, getting a clearance for a house or a means of livelihood or for that matter getting legitimacy for one's marriage in a court of law, one confronts or rather faces the phenomenon of corruption in its multiple incarnations or manifestations.

This, then, calls upon us to peep into the nature, process and other dimensions of the phenomenon whose very existence has the potential to shape our life patterns, choices sometimes marginally but also at times in a potent way.

This research paper presented here, begins by introducing the problems of corruption in developing countries, especially India, and attempts to define it with particular reference to administrative corruption, while offering the legal side of it. All this is done from the post independence period 1947 onwards. It then moves to discuss its nature and the forms it manifests before offering possible causes and consequences for the same. In doing so, the focus remains centered

on the problem in India but the paper also draws upon cross-country comparative empirical research conducted on the causes, correlation and consequences of corruption in recent years.

This is done on the premise that while problem of corruption in India has its own specificities and peculiarities, which call for a special explanation; it is nonetheless not entirely unique so as not to be viewed in a broader context encompassing different countries grappling with a similar problem. However, the paper does not claim to offer an exhaustive treatment of the various dimensions and nuances of corruption, it seeks to unravel and is open to further suggestions and even criticisms.

The problem of corruption seems to be a taken-for-granted reality in many parts of the world. In most developing countries like India, it is apparently seen as another problem to contend with as those nations grapple with the complex processes of social and economic development. However, this apparent taken-for-grantedness hides a mine-field of contentions and contestations that beset the issue of corruption in most societies.¹

Corruption in a developing society and in newly independent states is so rampant and has pervaded all professional walks of life that its visible effects are too serious to be ignored.² The entry of corrupt practices into areas on which the whole health of social life and polity rests, results into an all erosion of public morality and ethical standards of individual and group behaviour.

It is from this angle that the subject of corruption in India is too grave to be ignored.

India has not been free of corruption, whether in ancient times, the immediate pre-colonial period, the British rule or the decades following Independence.³ The roots of corruption in human society go very deep indeed.

About 300 B.C., Kautilya the Prime Minister of Emperor Chandragupta of India in his 'Arthashastra' identified forty ways of embezzlement of funds by employees.

During the ancient and medieval era, the scope of public administration was negligible. Thus, because of limited activity, the scope of corruption too was limited.

In most of the countries of Asia and Africa, including India, the roots of corruption in public services are to some extent, the legacies of their colonial past. During the course of their regime the erstwhile rulers of Western Europe framed the structure of their administration in such a way that all superior positions were reserved for their nationals who were highly paid but the lowest positions predominantly occupied by the natives who were paid low salaries.⁴ This led to the extraction of money and provisions for their subsistence from the people by the natives. However, the higher ranks were comparatively free from the evil of corruption.

Corruption has been an integral part of India's economic, political and social life since independence. Political and bureaucratic corruption at different levels of the government have been seen as plaguing implementation of development programmes and policies.

Neither the incidence of corruption in India nor the concern with it are, thus, new. However, the current state of corruption in the country is not just a linear continuation of the experience in the 1950s and 1960s.⁵

Beginning with the 1970s, changes in the level, trend, nature and spread of corruption can be seen. Corruption in the 1980s and 1990s has been such as to suggest that it has assumed critical proportions.

India has acquired the unenviable reputation of being amongst the most corrupt countries in the world. A careful poll taken among business interests and financial journalists by Transparency International (TI), the reputed anti-corruption non-governmental organisation, placed India 9th from the bottom in its 1996 list of 54 countries. India scored 2.63 on a scale with a maximum of 10 for the totally corrupt – free country.⁶ The system of corruption works so well that the World Economic Forum Global Competitiveness Ranking of 49 countries ranks India 45th in the honesty of government officials, 44th in the effectiveness of laws to protect shareholders, 46th in the ability of the board of directors to ensure corporate honesty, 45th in the ability of the boards to protect shareholders interests, and 40th in tax evasion (India Today, Nov.30, 1976, P-97).⁷

In other words, it might not be an exaggeration today to talk about corruption in terms of crisis or the cancer endangering India's society, polity and economy.

DEFINITIONS

To define corruption seems to be a difficult exercise. Corruption is a general term covering mis-use of authority as a result of considerations of personal gains, which need not be monetary. In its restricted sense, it means the acceptance of illegal gratification for official action, or criminal misconduct in the discharge of one's official duty or deviating from the straight path of ethical behaviors. In fact, the term corruption houses an entire family of malpractices and unlawful, unethical and unfair dealing.⁸

Arnold J. Heidenheimer (1989) has organised the maze of definitions of corruption available in the social science literature around three basic models: "public – office – centered", " market-centered" and " public-interest-centered".⁹

Nye's (1967: 417) definition of corruption¹⁰ for instance, is typical of those who view the phenomenon from a public – office perspective. For him, corruption is

"behavior which deviates from the normal duties of a public role because of private regarding (family, close private clique), pecuniary

on status gains; or violates rules against the exercise of certain types of private – regarding influence. This includes such behaviour as bribery (use of reward to pervert the judgment of a person in a position of trust); nepotism (bestowal of patronage by reason of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public recourses for private – regarding uses)."

In fact, one thing is certain that the bureaucracies in the developing countries are known to be afflicted with rampant-corruption, lethargy and inefficiency and the corruption in public services cannot be studied separately from political corruption, since these two phases are closely associated and, at a certain point, are cause and effect to each other.

One cannot assume that corruption always means something or has the same impact or motivation. Normative statements about corruption require a point of view, a standard of "goodness" and a model how corruption works in particular instances.

"(C) orruption" involves behavior on the part of official in the public sector, whether politicians or civil servants, in which they improperly and unlawfully enrich themselves, or those close to them, by the misuse of the public power entrusted to them."

LEGAL DEFINITION

It is quite surprising and shocking that in India the law makers and legal experts have refrained from defining corruption. The Prevention of Corruption Act of 1947 which is considered as Bible of anti-corruption laws gives no definition of corruption. In fact, two major legislations i.e. The Prevention of Corruption Act, 1947 and the Indian Penal Code provide us some clue about the scope and legal definition of corruption.¹²

In India some of the major legislations are: -

- i) The Prevention of Corruption Act, 1947
- ii) Indian Penal Code
- iii) The Representation of the People Act, 1950 Section 5 of the Prevention of Corruption Act (I) defines the scope of corruption with regard to public servant in the following manner: -

Clause I: According to this Act, five kinds of Acts constitute criminal misconduct.

Clause II: It prescribes a seven years term of imprisonment with a minimum of one year to any public servant who commits criminal misconduct.

The Indian Penal Code comprises 11 Sections 161 to 171 with one more section added in between as Section 165 A.

The Representation of the People Act includes within its definition political malpractices too. Section 123 of the aforesaid Act declares various acts as corrupt practices.

In addition to the above mentioned provisions, the different categories of public servants are governed by separate but with considerably similar, sets of conduct rules. The following set of rules are in operation: -

- i) All India service (Conduct rules, 1954).
- ii) Central Civil Service (conduct rules, 1954).
- iii) Railway Service (conduct rules, 1956).

There are two quite separate categories of administrative corruption:¹³ the first occurs, where for example, Services or contracts are provided "according-to-rule" and the second, whether transactions are "against -the- rule." In the first situation, an official if received private gain illegally for doing something which he or she is ordinarily required to do by law. In the second situation, the bribe is paid to obtain services, which the official is prohibited from providing.

"According-to-rule" and "against -the-rule" corruption can occur at all levels of the governmental hierarchy and range in scale and impact from "grand corruption" to more ordinary, small scale varieties.

In practice, public attitudes can over-shadow legal definitions of administrative corruption, and public opinion can define corruption in ways which

will over-ride law. If public opinion and legal definitions do not conform, the likelihood is that officials will act in accordance with the public view, and in so doing transgress the law. It is therefore, crucial that the public be informed and enlightened as to the damage corruption can cause – from the TI source book, 2nd edition, 1997.¹⁴

NATURE OF CORRUPTION

Highlighting the nature of corruption, Satyadeva says,¹⁵ “corruption has the nature of a malady which is at once individual and social. As an individual malady, it takes the form of loss of sense of duty and faith in honest individual effort. As a social malady, it appears as an institutional decay and chaos which together make for authoritarianism, rendering it more acceptable.

The nature of corruption is baffling. Sometime, it seems to be a disease by itself and at other times merely one symptom of a deeper sickness. Corruption is not an objective and everlasting entity that elicits subjective response from various sections of society. The study asserts that it is through the interaction between various groups and their definitional activities that certain kinds of behaviour come to be designated as “corrupt”. The concept of corruption is fixed neither in time nor in space; rather, it evolves.

Corruption can assume many forms, cover a wide variety of transactions and operate at many levels. The form of corruption which is highly publicized,

easily detected and widely discussed involves making donations to officials.¹⁶ The range of value of such donations passing hands is very wide. The donations are made for assistance in sale of new aircraft and arms, issue of licences, passing of bill etc. The donation can be as one time transaction as in the case of traffic rule violation. As a long term measures, donations can be passing bills for building roads and bridges. Corruption as a phenomenon is reflective of decline in ethical standards and moral earnestness. Appropriate forms of honesty, integrity and work ethic have failed to take roots in the political and administrative set up. With the result that in many quarters, corruption isn't regarded as immoral. Rather it is seen as legitimate and the argument is that it blesses both the giver and the receiver. It is thus seen as a Janus faced gift that is based on the premise of live and let live, of sharing.

Another important mode of corruption pertains to the abuse of power. Here the minister or the civil servant may use his position to get his relatives or family members in government service or in private enterprise of repute that may be dealing with the government.

Further we can say that "speed money" has become a fairly common type of corrupt practice, specifically in matters pertaining to grant of licences, permits etc. The general practice is that the donor does not wish to get the work done unlawfully but merely intends to speed up the process of movement of files/ communication pertaining to decision.

In the contrast to the practice of speed money, is the form of corruption that adulterates quality i.e. money / bribe is offered to sanction low quality ones,¹⁷ thereby contributing to either inefficiency or damage of the work / process / organisation eg. Satyadeva provides an example of such type where administrative staff sanctioned low quality seeds instead of high yielding one. The Green Revolution was sold out in few thousand and rupees.

Another form of corruption pertains to extravagant expenditure of public funds by public servants. In fact, on many occasions, when minister or top level functionaries go on official tours, the junior officers provide everything for their comforts. Such lavishness in expenditure is motivated by a desire to get undue personal favours from the visiting minister or officer.

CAUSES OF CORRUPTION

It is very difficult to analyse the causes and sources of corruption because many of them are subjective and open to challenge. Besides, their relative importance varies from society to society and time to time. According to Ralph Braibanti: "There are at least a dozen platitudinous injunctions which are in circulation with regard to corruption and which, because of their persistent ubiquity and their auto narcotic effect, deserve mention This is not to say that these injunctions are totally unimportant on the contrary they are significant even though not as single causes or cures. "Their importance lies in the fact that they are but elements in a complicated matrix of causes, each of


which were of varying importance depending on spatial, temporal and circumstantial evidence."¹⁸

The causes and sources of corruption are many and varied and, beyond a certain point, elusive. However, for the sake of convenience and clarity, we may classify and study them under four heads – administration and political, social, economic and cultural.

The extensive literature on the subject of corruption draws attention to political system and practices, economic development, economic policies, sociological characteristic and the cultural milieu as the main factors, which are relevant for a casual explanation of corruption. Whether corruption causes other variables or in itself the consequence of certain characteristics is sometimes difficult to assess.

TH-9625

ADMINISTRATIVE AND POLITICAL CAUSES

DISS
364.13230954
Se41 Ad

TH9625



1. Government Involvement

Government involvement in private markets is commonly seen as a source of corruption. It has been suggested that the overall size of the government budget relative to GDP may therefore be positively correlated with levels of corruption. This is shown by LaPalombara (1994-338)¹⁹ who used a sample of countries in which Scandinavian countries were regarded as the exceptions. A better measure for a government's interference into private markets may be

depicted by its total redistributive activity. This may be better captured by the total government transfers and subsidies. La Porta *et al.* (1999: 242)²⁰ show a positive correlation of this variable with corruption. But Rose-Ackerman (1999: 41)²¹ argues that such simple correlations may be misleading. She concludes that types of activities may be more important than a government's size in causing corruption.

Treisman (1999b),²² concerned with the impact of decentralisation on corruption, has been involved in theoretical discussions suggesting opposing viewpoints. He found significant evidence that federal states are more corrupt than centralised ones. But this relationship fell to insignificance when other variables have been included. Therefore, while the dummy variable measuring federalism was shown to correlate with corruption, this outcome was not robust to the inclusion of other variables.

In sum, simple conclusions with respect to government involvement and corruption are hard to find. While some studies hint at decentralization as a means to reduce corruption, the overall government budget cannot convincingly be related to the level of corruption.

2. Institutional Quality

There has been extensive debate on whether corruption "greases the wheels" by enabling individuals to avoid bureaucratic delay, or whether it "sands the wheels" mainly by lowering security of property rights and misallocating

resources. A direct method for disproving the notion that corruption greases the wheels can be derived by investigating the impact of corruption on the quality of public institutions. A positive correlation between corruption and the size of the unofficial economy is presented in Johnson Kaufmann and Zoido-Lobaton (1998:391).²³ They suggest that corruption sands the wheels by negatively impacting on the smooth operation of the official economy. But whether the causality might actually be reversed, i.e. poor institutions being the cause of corruption, is difficult to answer. As pointed out, many other studies argue that low institutional quality and policy distortions cause corruption.

Low institutional quality is reflected in lack of transparency, presence of red-tape and archaic laws and procedures which together provide a fertile breeding ground for corruption.

3. Politically Induced Corruption

It has been argued that democracies and the costly electoral cycles associated with them are fertile grounds for political corruption.²⁴ Political corruption is the main source for administrative corruption. Political corruption mainly includes malpractice in elections, appointments and transfers. Election competition based on money and muscle power is the main source of political corruption. In the absence of well-knit organisation and cadre, political parties resort to money power and muscle power (criminal gangs come handy for this purpose) to mobilise people. This is evident from reports showing a large percentage of members in Bihar and UP Assemblies with criminal background.

In recent decades, there has been a great deal of political instability as reflected in frequent elections and changes of government, especially in the states, which has accelerated corruption.

Another source of political corruption is appointments and transfer in the government. It is a fact that a certain percentage that a certain percentage of postings and transfers are priced. In fact, according to David Potter's study of 1985, the average stay of district level officers in Karnataka was less than a year. This hampers the split to remain honest and upright.

4. Excessive State Control

When control and curbs are excessive the scope of corruption widens. The tendency will be to by pass the laws if needed by corrupt means. The organisations issuing permits and licences are the ones most susceptible to corrupt practices. Excessive controls opens up wide areas for unscrupulous businessman to indulge in the corrupt practices. Besides, the moral and integrity of the honest citizens are strained in, there has been a persistent call from responsible quarters for the abolition of unwanted controls. No wonder the corruption curve has been steadily rising during the past five decades. Control and curbs provide a fertile soil for the emergence of black markets and black money. Several studies have assessed the relationship between state controlled economy and the incidence of corrupt activity.²⁵ In fact corruption is more in states where state controls are very high. In a study conducted by Anti-Corruption Machinery (ACM) in Karnataka during 1956-1995 corruption due to regulatory

controls accounted for the highest percentage of the total number of corruption cases.

5. Concentrated and Centralised Civil Service

One of the great conundrums of India's political evolution is why a highly elitist and centralised civil service was maintained in sharp conflict with the nation's democratic aspirations.²⁶ The answer is that the concentrated liquid market for the sale of posts throughout India exists for numerous services. Concentrating the bidders further maximises the amount politicians can earn when they sell the posts. As in any auction market, the larger the number of buyers, the higher the asking price. An increase in the concentration of bidders heightens the value of the posts, especially when the bidders are insiders who know the value of the positions. Although politicians can gain considerable rewards from controlling the system of transfers, they have no direct knowledge about the value of a particular post or output in terms of bribes or kickbacks. As a result, politicians will allow the bureaucrats to compete by auctioning the posts in the districts to the highest bidder. The price offered by the seeker reveals the value of the post. To maximise the amount of revenue collected, these auctions are held frequently for example Police stations are repeatedly auctioned; officers of rank bid for the rights based on corruption prospects. As a result, honest officers have limited hopes of rising to the top.

6. Discretionary Power without Effective Control

At the same time, corruption is also a consequence of the process of power itself. Discretionary power vested with the political system and administrative organizations can also promote corruption.²⁷ It is generally believed that "power corrupt and absolute power corrupts absolutely". A public servant is vested with some legal powers. These powers are to be exercised in a legal manner in order to achieve the legal objectives of the organization. But when power is exercised for personal gains / aggrandisement, it is an abuse of power. This is given an impetus due to security of service provided. As the receiver of bribes are held guilty. The result, therefore, is that evidence against the offenders is very difficult to procure, for not only there is collusion in the commission of the crime but also collusion in the suppression of the evidence. The heads of departments are unable to do anything against a subordinate official, even though they are aware that the subordinate is corrupt, because of the difficulties in obtaining formal proof for conviction. Article 311 of the constitution, as interpreted by our courts, made it very difficult to deal effectively with corrupt public servants.²⁸

There is too much security of tenure accorded to the bureaucracy by requiring that no public servants "shall be dismissed or removed by an authority subordinate to that by which he was appointed," and further that no such person shall be dismissed or removed or reduced in rank until he has been given a reasonable opportunity of showing cause against the action proposed to be taken illegal to him." In any case of such corruption. There is an undermining of this idea of legality of power.

SOCIAL CAUSES:

1. Caste-Kinship Networks

In terms of sociological factors,²⁹ it has been argued that caste, kinship and patron-client relationships, especially in predominantly rural societies, generate and reproduce corruption through networks of nepotism, patronage and dependency.

2. Transition To Modernity

A fast rate of social change is generally accompanied by corruption. This is the price which has to be paid for social change and the price becomes higher as the process of change becomes faster. Modernisation and urbanization lead to the weakening of the old system of values and norms without any replacement by a new system of sound values.

3. Rampant Consumerism

It is consumerism and the values attached with it which have also helped in the increase of corruption.³⁰ Indeed consumerism can very easily be described as the principle cause of unhealthy increase in the dowry system in India. Love for consumer goods motivates a person to own and even hoard to an extent, which is least desirable, it is the love for these goods out of which the practice of profiteering grows. Persons with meagre means even want to possess them. If their income earned through lawful means is not enough, they will be encouraged to employ corrupt means to do so.

In fact Manorama Kohli and Jaswals trace the genesis of corruption in India to such unhealthy social institutions as dowry; consumerism, unemployment and the like. "It may be argue that corruption and the forces which give rise to corruption are not always to be located in the administrative, political and economic institutions and processes. There are several aspects of our society and several shortcomings of our social structure, attitudes and value systems, which provide an impetus to corruption. Political pitfalls, economic failure and administrative loopholes have only worsened the situation."

ECONOMIC CAUSES

1. Lack of Competition

Concerning the causes of corruption, studies have been made on the extent to which corruption can be explained by a low level of competition. Competition is commonly assumed to lower the rents of economic activities³¹ and consequently reduce the motive of public servants and politicians to seize parts of these rents by means of extortion and corruption. Economic policies based on administrative regulations using devices like permits and licenses for the allocation of investment approvals, scare resources, welfare benefits and subsidies-create powerful incentives for bribery. One could list any member of such instances of corruption in the liberalization era to illustrate the point that 'rent-seeking' activities are bound to persist as long as economic transactions. Between the state and private business are not made transparent and organized according to accepted principles of competition and fair play. The Bihar fodder

scam and the disgusting indifferent manner in which the state treasury was defrauded by a coterie of bureaucrats is a case in point. Absence of competition tends to create opportunities for corruption either by restricting supply deliberately or through inefficiency. This can occur in both public and private sectors. Monopoly is natural in some sectors for reasons such as economics of scale. The inherent monopolistic nature of some of these services create a fertile environment for corrupt practices which an individual citizen can not easily monitor or fight.

2. Recruitment And Salaries

The impact of merit-based recruitment on corruption in 35 developing countries has been investigated by Evans and Rauch (1996).³¹ They argue that low salaries force public servants to supplement their incomes illicitly while high salaries mean higher losses if a public servant gets caught. In a small sample of 28 developing countries, they find significant negative influence on the level of corruption of civil service wages relative to manufacturing wages.

3. Oppressive Tax System

It is argued that a vexatious tax system and oppressive taxation constitute another cause of corruption. Says Heavy George, "Taxation must not lead men to temptation by requiring oaths making it profitable to lie, to swear falsely, to bribe or to take bribe". India is, as it is well known, one of the few countries where taxation is the highest which gives rise to discretion that monopolistic public

agencies enjoy in their decision making and allocative rules. If, for example, the rules and criteria are simple and unambiguous, the validity of their decisions and actions could easily be checked by citizens. When multiple criteria are involved and all cases are not alike, the use of judgment becomes necessary. This situation creates opportunities and incentives for those involved to engage in corrupt practices often the decision makers, then supervisions and clients collude and take advantage of the discretionary facility.

4. Black Money

In most of the developing countries of the world, the existence of large amounts of unaccounted money is also a major source of corruption.³³ In India, for instance, this immovable property, shares and stocks, receiving fees and remuneration partly or wholly in cash without showing them in the accounts. Trading in licenses and permit, over invoicing and under invoicing etc. The people who possess black money are capable enough of corrupting politicians and bureaucrats in the process of defending and extending their commercial and other types of personal and group interests.

5. Unbalanced Development

The process of development must be held responsible for abetting corruption in India. A developing society becomes amenable to corruption in many ways.³⁴ An uneven process of development wherein the advantages of development do not reach all parts of the state in an equitable manner and

among all segment of society, the neglected parts and sections are motivated to derive the fruits of development through illegal means. Corruption becomes a remedial step to correct the imbalances left in the developmental process. It is not necessary that corruption should be prevalent more among the neglected social segment but this is a cause and source of corruption in all developing socialites.

CULTURAL DETERMINANTS

Cultural factors that have been relieved upon to explain corruption include the custom of "gift-giving" in traditional societies. Some societies are characterised by a high level of trust among its people, while others may lack this. Investigating the consequences of such forms of "social capital" has been made possible with data from the World Value Service, which surveyed 1000 randomly selected people in each of 40 countries in the 1980s and again in the 1990s. One question nas been: "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?" La Porta *et al.* (1997)³⁵ argue that trust can be helpful in fighting corruption, since it helps bureaucrats to better cooperate with each other and with private citizens.

Also the role of religion in contributing to the level of corruption was examined by La Porta *et al.* (1997a). The authors consider the Catholic, Eastern Orthodox and the Muslim religion to be particularly hierarchical and the such hierarchical forms of religion are detrimental to civic engagement, a factor which

should help reduce corruption. The authors report a positive association between the percentage of population belonging to a hierarchical religion and corruption, controlling form other influences.

A more in depth analysis of the impact of religion is provided by Paldam (1999b).³⁶ He identifies 11 different groups of religions and tests their impact on corruption, controlling for other variables. While in countries with a large fraction of Reform Christianity and Tribal religion corruption is lower, higher levels of corruption can be found in countries with a large influence Pre-Reform Christianity, Islam, Buddhism and Hinduism.

Two further cultural variables positively and significantly impact on the level of corruption: first, the extent to which the quest for material success dominates over a concern for the quality of life and, second, the extent to which members of a culture feel threatened by uncertainty or unknown situation. The latter variable must clearly be distinguished from risk avoidance, which might be expected to lower corruption. The idea is that corruption may give its beneficiaries the hope of reducing the level uncertainty they face. But statistical support for this hypothesis still comes as a surprise: because avoiding uncertainty should also give third parties who suffer corruption the incentive to fight it.

The impact of gender on corruption, another aspect which is treated here as a cultural dimension, has also been investigated recently by Swamy *et al.* (1999) and Dollar *et al.* (1999).³⁷ The authors determine the percentage of

women in the labour force and in Parliament. Both indicators negatively impact on the level of corruption in a cross-section of up to 66 countries. The influences is large in magnitude, highly significant and robust throughout a large variety of regressions, controlling for various variables. These findings are in line with some micro-evidence reported by Swamy *et al.* and suggest that policies designed to increase the role of women may help in lowering the level of corruption.

The level of corruption to cultural determinants should not suggest that levels of corruption are largely inevitable. Culture can only explain a certain fraction of the level of corruption and here remains sufficient room for improvements of a country's integrity. Moreover, Cultural attitudes can also be a reflection of organizational patterns that led to their formation. The extent to which these organizational patterns can be the subject of policy reform reflects the further scope for anti-corruption initiatives. But a clear conclusion drawn by Husted (1999)³⁸ is that effective measures to fight corruption are dependent on culture. Countries with a large power distance or a strong desire for material wealth will require treatment than others.

Klitgaard³⁹ highlights the role of information barriers in contributing to corruption. Corruption involves both givers and takers. In public services, the givers are mostly citizens or other users of services who have limited information about the rules of the game and the standards of service, they can expect from public providers. Existing legislation in India contributes to this position as public

agencies are nor required to divulge information concerning specific decisions or actions to the public. Citizens having been brought up in this tradition are not used to demanding information. Under these conditions, information barriers tend to create a setting in which incentives and opportunities for corruption gain strength.

All than can be said is that while the various casual factors referred to have a bearing on the incidence of corruption, they cannot be taken-singley or jointly to adequately account for it always and everywhere.

CONSEQUENCES

There is hardly any aspect of our life where corruption may not have spread its tentacles politics, economy, administration, business and day-to-day social dealing, besides it has even engulfed our value pattern.

Impedes Development

S. Kamra⁴⁰ examined the structural and normative imbalances that arise out at the societal level due to corruption. Tracing a link between the culture of political clientelism and corruption, the author argues that it is detrimental to the goals of development and helps in perpetuating the status quo.

Corruption in administration and in political spheres impinges maximum in public life and has a clear reflection of the efficiency of the bureaucracy and

indeed on the polity. This because it is the bureaucrats and the political office holders who are in authority to disburse socio-economic, good, reward and political values. The disbursement of these values has a direct impact on the day to day life of the people and even a bearing on their socio-economic status for example Purchasing a railway ticket by paying an extra bill to the Ticket Collector, etc. Both the giver and the receiver have indulged into an activity life are concerned. A western expert provides the necessary oil to keep the wheels of economy moving. Corruption have greased the wheels and deals in India and the devastating situation is before us Undoubtedly, if corruption becomes pervasive and invades the entire political system, then ethics and morality take back seat and society turns out to be morally sick, affecting development and growth. It is only when corruption becomes pervasive and no one is punished, then the entire political system collapses. The corrupts at the highest echelons of the society will have to be brought under the law and be awarded deterrent punishment.

Corruption condones the moral fibre of society. It undermines the legitimacy of government⁴¹ because of the widespread cynicism bred on a mixture of fact and perception concerning the level of corruption. It has been pointed out that general impressions about corruption, circulated in public discussion and gossip. Might be unfair and exaggerated but the very fact that such impressions are there causes damage to the social fabric. One result of such deterioration is political instability when one democratic regime after another is outvoted from office in the issue of corruption.

S.K. Sharma⁴² holds that it has already "sufficiently punched and extremely humped the process of economic growth and development. Starting from the political boss to the lowest level of bureaucratic functionary, none seems to be either an exception or immune from the evil effects."

Following are the more elaborate consequences of corruption: -

1. **Total Investment**

The first investigation on the impact of corruption on investment in a cross-section of countries was undertaken by Mauro (1995).⁴³ The author finds that in a sample of 67 countries, corruption negatively impacts on the ratio of investment to GDP. He claim that if Bangladesh were to improve the integrity to its bureaucracy to the level of that of Uruguay, its investment rate would increase by almost five percent of GDP. Mauro (1997a)⁴⁴ provides further backing for his results by presenting a larger sample of 94 countries and by also making use of the corruption data by PRS. The same source was used by Brunette and Weder (1998)⁴⁵ to show that corruption has a significant negative impact on the ratio of investment to GDP in a sample of 60 countries.

Criticism of the results by Mauro has been voiced by Weidmann (1996).⁴⁶ He argues that while the correlation b/w corruption and the ratio of investment to GDP might be strong for countries with little corruption, it loses power for countries with higher levels of corruption. He concludes that certain kinds of corruption might have more significance for investment decisions than the overall

level of corruption as such. With a similar point of view, the World Development Report (1997)⁴⁷ quotes an entrepreneur who contends that “these are two kinds of corruption. The first is one where you pay the regular price and you get what you want. The second is one where you pay what you have agreed to pay and you go home and lie awake every night worrying whether you will get it or if somebody is going to blackmail you instead”. This idea was picked up in the survey by WB/UB and in addition to an overall level of corruption also its predictability was determined i.e. whether a corrupt service is actually delivered as agreed. The resulting impact of this variable on the ratio of investment to DGP was investigated in the World Development Report (1997). In a sample of 39 industrial and developing countries, it was concluded that for a given level of corruption, countries with more predictable corruption have higher investment rates. While controlling for DGP per head and secondary school enrolment, the authors find that both, low predictability and the overall level of corruption, reduce the ratio of investment to DGP. The authors conclude that the nature of corruption is also crucial to its economic effects.

As corruption increases the risks associated with making investment. For example, By lowering the security of property rights, thereby predicts that corruption will have a clear negative impact on the ratio of investment to DD.

2. Government Expenditure

Those who allocate resources may have better opportunities to extract illegal income from large investment projects than from small labor contracts

public investments are particularly susceptible to this kind of inefficient allocation and Mauro (1997a), suggests that corruption may increase public investments. But the subsequent regressions provide no significance evidence. In contrast, there is more convincing evidence that corruption affects government expenditure on education. Mauro (1998 and 1997a)⁴⁸ finds that corruption lowers expenditure on education, arguing that other expenditures offer public servants better opportunities to collect bribes. His results hold for various specifications but may suffer a little from the low explanatory power of the regressions.

The impact of corruption on public investment has also been investigated by Tanzi and Davoodi (1997).⁴⁹ Referring to penal data on corruption provided by PRS for 1980-95, they show that corruption significantly increases public investment. This is in contradiction to the results by Mauro (1997a). But on the basis of the mixed evidence there does not appear to be clear support that corruption increase public investment.

3. Capital Inflows and Foreign Direct Investments (FDI):

Corruption may undermine a country's ability to attract foreign capital. Poor transparency and high levels of corruption increase credit risks. Those holding deposits on granting loans to such banks are likely to withdraw their engagement. As a consequence, one should observe an impact of corruption on capital movements.

One study in this context was carried out by Hines (1995),⁵⁰ who proves that US investors differed from others in preferring to locate their FDI in less corrupt countries after 1977. Hines relates this to the imposition of the Foreign Corrupt Practices Act (FCPA). A related effort was undertaken by Wei (1997a)⁵⁵ to find out whether Japan has a tendency to invest more in corrupt countries, the implication being a possibly higher Japanese propensity to pay bribes. But the author did not find any differences between the investment pattern of Japan and United States.

Other studies have been more concerned about the relationship between capital inflows and corruption. In an early study, Wheeler and Mody (1992) did not find a significant correlation between the size of FDI and the host country's risk factor-which included corruption among other variables and was highly correlated with corruption.

But FDI represent only a minor fraction of country's total capital inflows. The impact of corruption on these total net capital imports is proven in Lambsdorff (1999 b). In a cross -section of 65 countries, corruption is shown to decrease capital inflows at a 99% confidence level, controlling for various explanatory variables such as GDP per head, domestic savings rates and raw material exports. An increase in Colombis's level of integrity to that of the United Kingdom is found to increase net annual capital inflows by 3% of GDP.

CONCLUSION

The problem of corruption has so far been dealt with in terms of its nature cause and consequences. In doing so, it has brought to light the dangers one faces in allowing such a grave and pervasive problem to remain untackled. This has also highlighted the potential corruption has in putting from serious impediments in our development process and in-fact derailing it something which has been evident in the past and is likely to happen in the future.

To check and curb the cancerous growth of corruption, concerted action-both at the level of individual and community-whether social and political needs to be taken. The question of remedies that includes government response to the problem since 1947, and suggestions for further reforms is to be the subject of examination and analysis, to be pursued later on.

Notes and References

1. Vinod, Pavarala, *Interpreting Corruption: Elite Perspectives in India*, Sage Publications, New Delhi, 1996, p.3.
2. *Ibid.*, p.21.
3. Guhan S. and Paul Samuel (ed.), *Corruption in India - Agenda for Action*, Vision Books, New Delhi, 1997.
4. John B. Monteiro, *Corruption - Control of Maladministration*, Manaktalas Pvt. Ltd., Bombay, 1996, p.185.
5. Naunihal, Singh, *The World of Bribery and Corruption*, Mittal Publications, New Delhi, 1999, p.185.

6. *Ibid.*, p.186.
7. Editorial Comments, *India Today*, November 30, 1996, p.97.
8. Sahib Singh, Bhayana and Swinder, Singh, "Corruption in Public Services: Some Problems and Issues", in S. Bhatnagar and S.K. Sharma (ed.), *Corruption in Indian Politics and Bureaucracy*, Ess Ess Publications, Chandigarh, 1991, p.92.
9. Arnold J. Heidenheimer (ed.), *Political Corruption: Readings in Comparative Analysis*, New York, 1970.
10. Pavarala, *Interpreting Corruption*, *op.cit.*, p.51.
11. A.J. Heidenheimer, "The Topography of Corruption: Explorations in a Comparative Perspective", *International Social Science Journal*, CLVIII, 1996, p.337.
12. S.S. Bhayana and S. Singh, *op.cit.*, pp.92-94.
13. J. Graff, Lambsdorff, *The Transparency International Corruption Perceptions Index*, Edition 1997, Transparency International Newsletter, September 1997.
14. *Ibid.*
15. Satya, Deva, Corruption in Bhatnagar, S. and Sharma, S.K., *Corruption in Indian Politics and Bureaucracy* (ed.), Ess Ess Publications, Chandigarh, 1991, p.17.
16. S.S. Bhayana, and S. Singh, *op.cit.*, p.97.
17. Satya Deva, *op.cit.*, p.19.
18. Ralph Braibanti, *Reflections on Bureaucratic Corruption*, Public Administration Winter, London, 1962, p.357.
19. J. La Palombara, "Structural and Institutional Aspects of Corruption", *Social Research*, LXI, 1994, p.338.
20. R. La Porta, F. Lopez-De-Silanes, A. Shleifer and R.W. Vishny, "The Quality of Government", *The Journal of Law, Economics and Organization* XV(1), 1999, p.242.

21. Rose-Ackerman, S., *Corruption and Government: Causes, Consequences and Reform*, Cambridge University Press, Cambridge, 1999, p.41.
22. D. Treisman, "Decentralisation and Corruption: Why are Federal States Perceived to be More Corrupt", Paper prepared for the presentation at the Annual Meeting of the American Political Science Association, Atlanta, University of California, Los Angeles, August 1999.
23. S. Johnson, D. Kaufmann and P. Zoida-Lobaton, "Regulatory Discretion and the Unofficial Economy", *The American Economic Review*, Papers and Proceedings, LXXXVIII, p.391.
24. S.N. Sangita, "Corruption in Administration", N. Narayanswamy, M.P. Boraian, M.A. Jeyaraju, (ed.), *Corruption at the grassroots: The shades and shadows*, Concept Publishing Company, New Delhi, 2000, p.99.
25. *Ibid.*, p.96.
26. S.S. Bhayana and S. Singh, *op.cit.*, p.100.
27. S.N. Sangita, *op.cit.*, p.96.
28. Avasthi and Maheswari, *Public Administration*, Educational Publishers, New Delhi, 1962, p.413.
29. Vinod Pavarala, *op.cit.*, p.79.
30. Manorama Kohli and Jaswal, "Social Dynamics of Corruption in India" in S. Bhatnagar and S.K. Sharma (ed.), *Corruption in Indian Politics and Bureaucracy*, Ess Ess Publications, Chandigarh, 1991, p.25.
31. J. Lambsdorff, Graf, "The Impact of Corruption on Capital Productivity", *Unpublished Manuscript*, Gottinger Unigersity, 1999.
32. P.B. Evans, and J.E. Rauch, *Bureaucratic Structures and Economic Performance in Less Developed Countries*, Mimeograph UC San Diego, 1996.
33. S.S. Bhayana, and S. Singh, *op.cit.*, p.101.
34. Manorama Kohli, and Jaswal, *op.cit.*, p.13.

35. R. La Porta, F. Lopez-De-Silanes, A. Shleifer and R.W. Vishny, "Trust in Large Organisations", *The American Economic Review*, Papers and Proceedings, CXXXVII(2), 1997, pp.333-338.
36. M. Paldom, Corruption and Religion, Adding to the Economic Model, *Unpublished manuscript*, Aarhus University, Denmark, September 1999.
37. A. Swamy, St. Knack, Y. Lee and O. Azfar, *Gender and Corruption*, Draft paper, IRIS Center, University of Maryland, July 1999.
- D.R. Dollar, R. Fisman and Gatti, Are Women Really the 'Fairer' Sex? Corruption and Women in Government, Policy Research Report on Gender and Development Working Paper Series, No.4, Washington, D.C.: The World Bank, October 1999.
38. B. Husted, Wealth, "Culture and Corruption", *Journal of International Business Studies*, XXX(2); 1999, pp.339-360.
39. R. Klitgaard, *Controlling Corruption*, University of California Press, Berkeley, 1991.
40. S.K. Sharma, Introduction in S. Bhatnagar, and S.K. Sharma, (ed.) *Corruption in Indian Politics and Bureaucracy*, Ess Ess Publications, Chandigarh, 1991, p.xvii.
41. S.M. Sangita, *op.cit.*, p.100.
42. S. Bhatnagar, and S.K. Sharma, *op.cit.*, p.xi.
43. P. Mauro, "Corruption and growth", *Quarterly Journal of Economics*, CX, 1995, pp.681-712.
44. P. Mauro, *The Effects of Corruption on Growth, Investment and government Expenditure: A Cross Country Analysis. Corruption and the Global Economy*, Washington D.C.: Institute for International Economics, 1997a, pp.83-107.
45. A. Brunetti, and B. Weder, *Investment and Institutional Uncertainty: A Comparative Study of Different Uncertainty Measures*, *Weltwirtschaftliches Archiv*, CXXXIV, 1998, pp.513-533.
46. C. Leite, and J. Weidmann, "Natural Resources, Corruption and Economic Growth", *International Monetary Fund Working Paper*, July 1996.

47. A.G. Brunetti, Kisunko and B. Weder, "Credibility of Rules and Economic Growth-Evidence from a World Wide Private Sector Survey", *Background paper for the World Development Report*, Washington: The World Bank, 1997.
48. P. Mauro, "Corruption and the composition of government expenditure", *Journal of Public Economics*, LXIX, 1998, pp.263-279.
49. V. Tanzi, and H. Davoodi, "Corruption, Public Investment and Growth", *International Monetary Fund Working Paper*, 1997.
50. J.R. Hines, "Forbidden Payment: Foreign Bribery and American Business after 1977", *National Bureau of Economic Research Working Paper*, No.5266, Cambridge MA, 1995.
51. D. Kaufmann, and S.J. Wei, "Does 'Grease Money' Speed up the Wheels of Commerce?", *National Bureau of Economic Research Working Paper* 7093, Cambridge MA, 1997.

CORRUPTION IN VARIOUS DEPARTMENTS

Corruption as a malady is all pervasive. The Indian society has perverted to such an extent that if a person takes a look to any walk of life he finds that any work big or small requires some kind of oiling constituting the extra-legal process. Especially the government departments and public institutions have become the synonym for corruption. It pervades the private sector as well, though its form and intensity necessarily vary. In whatever sector, each contact point with the public is viewed as an opportunity to make money. To get a feel of the situation this chapter endeavours to look at some departments of the Government of India and related cases to show that corruption exists at all level of the structure.

While political and corporate corruption at high levels tends to evoke considerable criticism among citizens and the media, corruption in the public agencies that regulate or deliver services to the people is seldom monitored or widely debated in most developing countries.¹ "Grand" corruption involving large sums of money or favours understandably attracts greater public attention. The headline making cases of large multinational companies paying millions of dollars to government leaders or politicians to obtain lucrative business contracts are examples of corruption on a grander scale. But "retail" corruption (in relative

terms) of the kind that is associated with public services also needs to be taken seriously because it impacts the lives of large numbers of people and can have highly adverse allocational and distributive consequences.

Like any other market, corruption is based on a contract between different interests.² Firms, pressure groups and citizens try to maximise their gains by paying bribes, while public officials try to maximise their illegal earnings and politicians their power and wealth. Bribe payers may seek to avoid or reduce costs, through illegal reductions in taxes, lax enforcement of regulations, underestimated rent for public housing or the dropping of criminal charges. Multinationals might pay bribes just to jump the queue in getting a house or a telephone line connected. Even obtaining a research grant often presupposes a bribe. Bribers may even be coerced to pay, which is called extortion.

Incentive bribes, pay offs and extortion happen to be rare in developed countries, but frequent in developing ones. Corruption is, of course, present in developed countries. But, with strict property rights, mature institutions and well-paid civil servants, developed countries can hardly be said to suffer from systematic corruption. Supply is plentiful enough to remove the incentive to jump queues. And the scrutiny that public governance is subjected to makes corruption in most OECD countries very difficult to get away with.

The picture could not be more in contrast with the situation in many developing countries, where weak governance and rights are endemic. Property

rights are at best just being established and remain open to abuse, at least for a time. Bribe continue to be collected, often to line the pockets of the elite and to buy political backing. Several mechanisms help to spread corruption and make it normal practice in these countries.³ Civil servants who refuse to toe the line are removed from office; similarly, businessmen who oppose it are penalised vis-à-vis their competitors. Furthermore, an image of the state has grown up over the years according to which the civil service, far from being a body that exists to implement the rights of citizens-rights that mirror their duties is first and foremost perceived as the least risky way of getting rich quickly. All of which helps to make corruption seem normal.

In practice, it is the environment in which public servants and private actors operate that causes corruption. Public administration in developing countries is often bureaucratic and in-efficient.⁴ And a large number of complex, restrictive regulations coupled with inadequate controls are characteristic of developing countries that corruption helps to get around.

Corruption in fact has become a way of life and it is often said that if someone is caught accepting a bribe, he can get released by offering one.⁵

Corruption is a word, which used to be mentioned in whispers in the 1970s and 1980s but after the 1990s people have started talking about it in open terms. There is no doubt that corrupt people and corrupt practices have always existed,

but the blatant acceptance of the fact which tends to give legitimacy to this practice has increased manifold in the last decade.

People no longer hesitate in narrating how they bribed some official or the other in getting a certain work done.

In every government department where public dealing takes place, there is a price tag on work, which could so easily have been disposed off, legitimately, in the routine scheme of things. This is not to imply that all who work in government departments are corrupt, but there are corrupt people in every department who tend to get things done for a consideration. They are the ones who need to be exposed. The institutions which were supposed to protect democracy are today manned by people whose position has been compromised.

India's economy today is a standing monument to the corruption and inefficiency of four departments — Customs, Central Excise, Income tax and the Enforcement Directorate.⁶ It is the evasion of taxes and the failure of these departments to check illegal activities which have crystallised into black money, whose quantum has been estimated at between Rs. 40,000 crores and Rs.1,00,000 crores. Whole industries today depend on black economy.

POLICE

There is no denying the fact that corruption is prevalent in police personnel but it is like other public services. Corruption in the police force is most often talked about primarily because the police is the first contact point of the government with the common people.⁷ The general perception about the police is one of an inefficient and 'brutal' force that is very frequently used by its political masters for partisan purposes.

Coming to brass tacks, corruption in the police springs from a variety of causes which needs to be restated. First on the list, is the institution of cases, recording of complaints and making of entries in police station diaries. In this process considerable amount of money seem to change hands. Unless this happens the normal relief provided by law for the common man would not be available to him. There is question of recording garbled version and leaking out the information furnished by one party to the other group for monetary considerations. Second, partiality in investigation and cases and complaints made to the police. This is too well known to require reiteration. There is little public confidence in the investigation conducted by the police. Even if a complaint is made in a court of law, it would find its way back to the police for the first enquiry before any further steps could be taken. Third, leaking out secrets — this can be in various fields and provides a very useful avenue of illegal gains. Information about a likely raid can always be leaked out with considerable profits. Fourth, detention and searches — the country's Law provides unlimited powers of

detention and conducting of searches to the subordinates of the police department. The element of harassment is unlimited. Finally, there is the question of giving routine 'doles' to ensure safety and general support.⁸ Shopkeepers and office establishments in busy commercial areas like to make a regular presentation to the local police to ensure their own smooth functioning. In some cases the levy may be somewhat of the nature of extortion, when for example it is realised from transport operators as a routine whether they are arraigned or not of any wrong deed. Most commercial vehicles make regular peace offerings to the traffic police. Interstate checkpoints and other road barriers offer lucrative opportunities for bribery. At some of the interstate barriers daily pickings run into lakhs and the booty flows right upto to the ministerial level.⁹ Postings at these points carry a heavy price and in many cases the beneficiary has to pay fixed monthly tribute to the high-ups.

The interaction with the police in particular has been influenced by the tactics adopted by some political parties in opposition in establishing their political presence through agitationist postures. This allied to the use of muscleman and dadas during elections, has resulted in anti-social elements using their proximity to politicians to gain protection from possible police action under the law. This nexus between unscrupulous politicians and such anti-social elements has resulted in laxity in enforcing social and economic enactments relating to prostitution, gambling, smuggling, black-marketing, hoarding, etc. and the growth of corruption and other malpractices. The ensuing impact on the maintenance of

law and order has been both widespread and deleterious.¹⁰ (National Police commission II, pp.20-22).

One of the results of this nexus has been the growth of corruption in the police force. While corruption in police is no doubt a reflection of the corruption prevalent in society as a whole, the power vested in the police to interfere with the life and liberty of the citizens gives them special chances of indulging in malpractices in a semi-feudal society struggling to modernise itself. The rise of the consumerist ethic, the breakdown of moral values and sharp rise in prices has only accentuated the existing situation. The scope for malpractices has been found in demanding bribes for registering and investigating cases; for arresting or non-arresting accused; for releasing or not releasing them on bail; providing unauthorised facilities to those in custody; unauthorised interference in civil matters; fabricating false evidence; collusion with hoarders, blackmarketers and smugglers and so on. (National Police commission III: 26).¹¹ Prasher sees the causes of corruption in the multiplicity of steps involved in decision-making, involved procedures, the influence of unscrupulous politicians, disregard of the welfare and comfort of policemen, accretion powers to police to deal with economic offences, literacy of masses and low salary scales.

As a matter of routine all vendors, hawkers, artisans and traders have to bribe petty police officials for the privilege of being left alone.¹² Any property dispute, theft, drunken brawl or fracas in the village provides the police with its regular source of extra income. Writing of an FIR its wording, granting of bail, use

of third degree methods, putting up of challans, provide lucrative opening for graft- especially when most persons are ignorant of law and their basic rights.

There is no doubt that state police performance in India has fallen short of public expectations due to various constraints and handicaps faced by the civil police. The entire criminal justice system is facing tremendous strains and stresses.¹³ Gunnar Myrdal in his famous book 'Asian Drama – An Enquiry into the poverty of Nations' has made reference to "soft state" and its impact on police functions in the following words:

"In India, the soft state with its various forms of social indiscipline has led to numerous legislation and controls, a permissive attitude of disobedience to law and rules, corruption and inflation. One of the forms of this system and even a victim of it is in one sense, through direct and indirect impact is the law enforcement agencies, primarily the police."

Corruption has now become a part of the administrative process and before it gains the upper hand and submerges the good element i.e. still available, the antidote should be applied. Failing this, integrity of the police will go down under the dead weight of its own sins of omission and commission.¹⁴ The very foundation of civilized society today stands badly shaken and may crumble in the not too distant future if corrective steps are not initiated immediately.

JUDICIARY

Mr. David H. Bailey while writing on the corruption after studying the conditions in India has touched the police and judiciary working in India in the following words.¹⁵

“Nor is the Judiciary in India immune from temptation of corruption.” As the Santhanam Committee reported, “we were informed by responsible persons including vigilance and special police establishment officers that corruption exists in lower ranks of the Judiciary all over India and in some places it has spread to the higher ranks also.” The Law Commission in 1958 noted that “there is... in some states an absence of the tradition of impartiality and integrity in the criminal Judiciary and it has been the general characteristic of civil Judiciary too. The commission commented too, that corruption among the staff of courts is substantial and has existed for a long time.”

Delayed justice, on justice not in consonance with the changing societal norms, is a potent cause of tension and disorder. The process is far too slow, almost unending.¹⁶ The number of cases pending in courts is astronomical. A civil case relating to property rights may take not a few months, not even a few years but ages. While the supreme court, and the other courts and the legislatures, have been trying their best to keep up with changes in society, the overall impact has not been substantial and the general impression is that the courts and law are not up to the mark in meeting the challenges arising from a fast changing social setup.

Soli Sorabji, Attorney-General of India, made some caustic comments about the prevailing chaos in the country's judicial system, while delivering his inaugural address on 29 June 1998 at a workshop on access to justice, organized for commonwealth countries. "The inaccessible judicial system in the country if allowed to continue, will lead" he said, 'to a denial of justice and emergence of street law'. He added that there was a crying need in the country to change the judicial process to make swift and effective.¹⁷

Following Sorabji's comments, The Asian Age came out with an editorial on 1 July 1998, attributing the current chaos in India's judiciary to the stalking demon of corruption. As quoted, "The judiciary itself remained largely indifferent to the fact that the courts have become so overweighed and slow that instead of dispensing justice these are actually now denying justice. The Common man's woes are aggravated by the fact that corruption has eroded the very vitals of the judicial system. The lower courts in particular are victims of this with the result that the poor villager seeking justice in the districts finds that this remains totally elusive Nothing gets done unless some money is slipped into the out stretched palms of the clerks on duty."

M.N. Venkatachaliah, former chief justice of the Supreme Court of India, in his address to panel on criminal justice, delivered in New Delhi on 17 February 1999.¹⁸ stated that the deterrence of the criminal justice administration system is not only on the wane but almost totally absent and this trend could lead to a situation of disaster. He expressed concern over the collapse of human dignity

and character and degradation of the individual. Speaking on the same occasion, Commissioner of Delhi Police, V.N. Singh, attributed the malfunctioning of the criminal justice administration system to the 'police, politicians, criminals nexus archaic legal system, lack of dynamic management in the changing crime scenario and lack of public cooperation.'

One way out of the malady of growing corruption and criminalisation in public life is to strengthen the criminal justice system, of which Judiciary is the central pillar.¹⁹ It is a matter of grave concern that our criminal justice system has failed in dealing effectively with both corruption and organised crimes particularly when persons with high connections are involved.

The Indian Judicial system has a very poor reputation in handling cases of corruption. Criminals enjoy strong protection under the existing judicial system. The politico-judicial interface has also come in for comment, particularly delays in appointment of judges and the attempt at finding "committed" judges on the part of the political executive.²⁰ The ongoing debate on the issue has meant a general lowering of judges' status in the eye of the general public and consequent deleterious psychological impacts on the law and order machinery. Even judges have written about the difficulties of getting justice from the present system.²¹

The recommendations, though numerous, flow from some simplistic attitudes: for example, the assumption is that all cases of disorder can be

prevented and controlled if only the law enforcing machinery is more efficient, better behaved and honest, and is freed from all out side controls and interference. The recent judicial activism and public interest petitions being filed in the courts arouse the hope that things would soon change and law would be allowed to take its own course in corruption cases.

INCOME TAX

The Income-Tax (IT) regime in India, has deservedly earned a very odious reputation for graft. But here the mischief starts not with the IT officials but the assesseees. Except the salariat where Income Tax is deducted at source, practically nobody declares his real income to the authorities. And being the guilty party, he offers bribe to Income–Tax Officers (ITOs) to cover the crime. Secondly, IT is evaded only if the benefit from evasion is higher than the cost of evasion, which, besides the bribe, includes harassment, and the fear of discovery through raid and seizures.

Broadly, one evades income tax either by understating his income, or overstating the expenditure. An ITO's skill lies in detecting the fraud during scrutiny of the IT returns. Here, the rules, designed to relieve the low-income assessee of undue bother, actually act as an incentive to concealment. Only three percent of the IT returns of income below Rs.2 lakh, thirty-three percent for income between Rs.2 to Rs.10 lakh, and 100 percent for income exceeding Rs.10 lakh are scrutinised by the officials²². Thus, most of the

assesseees try to show income below Rs.2 lakh, so that they have ninety-seven percent chances to escape scrutiny. The extent to which this fraud is practised may be judged from the fact that a popular restaurant with a bar licence in a posh New Delhi colony shows an income of around Rs 1.10 lakh on actual sales of Rs 3.5 crore per year. Most of the big stores and shops in Delhi pay income-tax ranging from Rs. 25,000 to Rs. 50,000 on their annual turnover running into crores.²³

Income tax returns are picked up for scrutiny according to computer generated random numbers, which are changed every year. Most people are not aware of this fact. So an IT inspector notes the names of some rich traders who do not figure in the scrutiny list and tells them that their returns are being taken up for examination by the ITO. Using this bluff as a lever for blackmail he extorts money from the traders on the promise that he would swap their returns with those of somebody else.

The real clout of Income-Tax Officials lies in the tremendous discretionary power they enjoy. For instance if I have a taxable income of Rs.5 crore and I file a return for Rs.1 lakh only, I could get away with it completely if the ITO accepts my version. On the other hand the tax evader has two powerful weapons.²⁴ One, bribe, and two, the services of expert advocate whose professional knowledge is far superior to that of the IT officers who generally have no legal background.

Instant and big killing are made in cases of searches and seizures. Here only big business houses are the target and the seizure is brought on record. The rest is split between the owner and the officials.

Our legal system is such that even when a culprit is caught, it becomes almost impossible to secure his conviction.²⁵ Besides intricate and dilatory procedures, even the judiciary is not incorruptible. At present nearly 4 lakh IT appeals are pending with the high courts and eight thousand with the Supreme Court. Though there are provisions for prosecution resulting in maximum imprisonment upto seven years, hardly anybody has ever been jailed. The fact of the matter is that the social class is always able to manipulate the system to serve its interests. Moreover, in our society it is in bad taste to punish the rich.

Lastly, whereas the temptation for taking bribe is obvious, there is little incentive for an honest officer to stick out his neck and get after the big tax evaders. Any number of upright officials have been victimised, harrassed and transferred to inhospitable places for their persistence to proceed against defaulters with high connections.

FINANCE

The stock exchange debacle in the 1990s also show the rottenness of the financial sector. Starting with Harshad Mehta and with the present Ketan Parekh

case, the deliberate manipulation of the financial sector for individual advantage brings into notice the unholy nexus of brokers and officials. The bankruptcy of the Madhavpura co-operative bank in Maharashtra²⁶ and the manipulation of the stock market at the cost of general public exposed the level of corruption in the Stock Market and Financial Department. The ban on trading of US-64 for 6 months²⁷ and the subsequent sacking of the chairman of the Unit Trust of India for alleged financial irregularities also substantiates the allegations of corruption in the financial department.

EXCISE AND CUSTOMS

Income tax corruption has a high profile as it concerns a large number of people. But corruption in the excise and customs departments has much larger dimensions. After all, personal income tax constitutes only about fourteen percent of the central revenues, as against sixty–nine percent contributed by excise and customs duties.

There is a streak of strange perversity in the system. Whenever the government has tried to stamp out a corrupt practice, the outcome has been quite the contrary. We have seen this happening when MRTP and FERA were enacted. Similarly, in the case of customs there were two landmark legislations, which gave a great boost to corruption in this department. COFEPOSA was passed in 1974 to fight the growing menace of smuggling. It was a Draconian measure like the TADA and provided for the detention of a suspected smuggler without trial for

upto two years. Introduced during the Emergency, it was applied ruthlessly and more than a hundred smugglers were rounded up in the first swoop. But soon its formidable provisions were pressed into the personal service of the officials and politicians. The official agencies invariably know who are the main culprits in their area,²⁸ and this gives a handle to the officials to extort huge bribes from known smugglers by threatening them with detention without trial. Politicians also freely took the help of the officials to settle old scores and split bribes with them. Earlier these officials used to take their cut when smuggled goods were actually seized. Now a mere telephone call suffices to do the trick.

With the increasing demand for drugs in the west, India has become an important center for drug trafficking.²⁹ And the profits earned from narcotics are used to finance smuggling of gold and hawala operations. The growth of consumerism and availability of large disposable income from illicit deals greatly spurred the demand for imported luxury cars, thus opening new vistas for smuggling.

All illegal activities provide opportunities for graft, and survive only with the active collusion of the law enforcement agencies. As an extreme example, there is the well known case of a smuggling mafia which established a poultry farm on the waterfront where smuggled goods landed. Right behind it was the office of the customs department to provide cover and make a killing on the spot.

With liberalisation and permission to import upto ten kilograms of gold by paying a duty of Rs 250 per ten Grams, conventional smuggling, of luxury goods, gold watches etc has considerably reduced.³⁰ The emphasis has shifted to narcotics, arms and explosives. But arms and explosives are brought mostly by the land route, and especially across the international border. The Indo-Pak border now swarms with smugglers of these items. The security forces on both sides have been corrupted. Whereas earlier the security personnel were most reluctant to be posted on the border, now there is a scramble for these postings.

More than any other form of corruption, smuggling is a high-risk, and big criminal mafias are involved in it. But evasion of excise duty is a low-key, smooth and trouble free business though the stakes are extremely high as excise income exceeds any other source of government revenue.

Though the revenue from excise is two and a half times that of personal income tax; its evasion is far greater. These are 3 ways in which this duty is evaded. First, by misclassification of goods; second, by undervaluation; and third, by their surreptitious removal without paying a duty. The last one is the most common mode of evasion.

Earlier excise inspectors were posted at large factories to keep a tab on the outgo of goods.³¹ They made huge amounts of money by allowing a large proportion of goods to be removed without the payment of duty, and the

bounty was then shared with the seniors. Later, these inspectors were removed from the factory premises and the system of 'self removal ' introduced. Here the factory owners themselves kept account of all outgo of goods and paid the duty accordingly. This was done on complaints of harassment against the inspectors.

Excise Officials also conduct raids, but mostly on a group of manufactures of a particular commodity. For example, factories making steel forgings or motor parts in a particular area are raided simultaneously. Discrepancies are obviously found, the defaulters punished and departmental appreciation earned. After the raid, the association of the raided manufacturers approaches the concerned officials, gives an assurance of payment of adequate annual tribute, and thus buys reprieve. When the Officer-in-charge of that area gets transferred, his successor goes through the same drill and a new pact is worked out.

CUSTOMS

The department of customs has recently come into news for the involvement of its officials in illegal transactions and under evaluation of goods. An Uzbekistani women had successfully carried on her illegal operations through the Indian checking's influencing the officials with wine and women. She came to India 80 times in a year³² with impunity and carried on her business in contrabands. When the CBI got wind of it, it raided 48 Custom officials' houses

and recovered a large amount of incriminating materials.³³ Again, the arrest of the chairman of CBDT Mr. V.P. Verma and his son with a woman associate exposed the rottenness of the customs and excise department. Over the periods of time the complains about the customs and excise department has become a routine affair with the general public. Petty demands for lawful clearances and connivance to allow illegal goods have reached such a height, that the CBI director N. Vittal has ordered a thorough probe of the transactions at the airports.

DEFENCE

The department of Defence is also under the cloud of corruption. Starting with the Enfield-rifles case during the Nehru period, the corruption in Defence establishment touched a new height with allegations of kick-backs in Bofors – Gun case and the very recent Tehelka Exposures.³⁴ The presence of middlemen in the defence deals and acquisition of sub-standard equipment's under pressure from political establishment for monetary considerations is a grave form of corruption and treachery that has crept into Indian defence. Although it is yet to be proved, the allegations on its face value present a disturbing picture of the Defence Departments. The misutilisation of defence planes for private purposes, and the favouritism that denies merit right place, have paralised defence establishments to the root. The recent sacking of Navy chief Bishnu Bhagawat and the lapses to detect the Kargil intrusion shows the corrupt morale and ill preparedness of the Indian forces. The increase in cross-border smuggling activities and involvement of Defence personnels to facilitate anti-state activities,

exposes the depth of corruption in the most sacred citadel of Indian administrative structure.

Leaving aside these establishments, the people face corruption in every sphere of life in their day-to-day interactions. The departments dealing with driving licence and ration cards are perceived as most corrupt. The urban development authority and the electricity and telephone departments are, in many cases, seen as only a step behind. And, on an average, one in every two persons has at one point or the other greased a palm to get his work done. In a survey conducted by Centre of Media Studies (CMS) among 900 persons per city, the level of corruption was determined in 6 major cities.³⁵ The result is given in Table 1.

Table 1: Level of Corruption: Cities & Departments (in percentage)

	Delhi	Lucknow	Chennai	Hyderabad	Pune	Ahmedabad
Urban Development Authority	51	62	54	56	23	82
City Government	46	45	52	68	45	
Electricity	53	66	65	54	36	40
Telephone Licence	43	25	64	45	28	
Driving Licence	72	83	86	86	67	
Ration card/ Civil Supplies	72	57	80	82	59	33

Source: The Hindustan times, 22nd May, 2001.

From the above table it is clearly evident that corruption has become all-pervasive in the government machinery in all cities. Of course, the protagonists

of corruption differ in different places. The Politicians, Officers and traditional Leaders with middlemen play their roles differently or in compliment to perpetuate corruption in different proportions depending upon difference in place, time or situation. Even the common man at times resorts to cheating to achieve his desires, which in most cases are of subsistence level. For the poor, empty belly provokes them for unethical ways and means, while the rich thrives for corruption to acquire more wealth and power. Therefore, corruption must be seen in the prevailing socio-economic context and any attempt to eradicate corruption must encompass the whole gambit of socio-economic inequality and equitable justice, to be effective.

Notes and References

1. Samuel Paul, "Corruption in Public Service Delivery", S. Guhan, and Samuel Paul, (eds.), *Corruption in India-Agenda for Action Vision Books*, Madras, 1997 p.144
2. Jean Cartier-Bresson, *Economics of Corruption*, OECD Observer, (220) April 2000, pp.25-27
3. Irene Hors, *Fighting Corruption in the Developing Countries*, OECD Observer, (220) April 2000, pp.43-45
4. *Ibid.*, p.43
5. Pankaj Vohra, "Corruption – The Worst Enemy of Society", *The Hindustan Times*, September 30, 2000
6. N. Vittal, *Combating Corruption Seminar* (485), January 2000, p.88
7. Upendra Baxi, *The Crisis of the Indian Legal System*, Vikas Publishing, New Delhi, 1982.
8. Trilok Nath, *Indian Police Administration - A Guide for Police Officers*, Sterling Publishers, Private Ltd., 1983, p.93.

9. S.S. Gill, *The Pathology of Corruption*, Harper Collins Publishers India, 1998, p.125
10. *Report of the National Police Commission II*, Controller of Publications, New Delhi, pp.20-22
11. *Indian National Police Commission – III*, Pg –26, New Delhi Controller of Publications.
12. S.S. Gill, *op. cit.*, p.126
13. L.P. Singh, "Morality in Public Affairs", Arora, Ramesh K. (ed.) *Indian Administration : Perception and Perspectives*, Alekh Publications Jaipur (India), 2000, p.275.
14. Trilok Nath, *op. cit.*, p.95.
15. H. Bailey David, *The Police and Political Development in India*, Princeton University Press, New Jersey, 1969.
16. Ph.D Thesis (Bakshish, Singh, *Supreme Court of India as Instrument of Social Justice*, 1973)
17. 'Editorial Comments', *The Asian Age*, 1 July 1998
18. *Criminal Justice Almost Absent : NHRC Chief*, The Hindustan Times, 18 February 1999
19. N.K. Singh, *The Politics of Crime and Corruption*, Harper Collins Publishers India, 1999.
20. V.R. Iyer, Krishna, *Law Versus Justice : Problems and Solutions*, New Delhi, Deep and Deep, 1981
21. S.N.M. Raina, *Law, Judges and Justice*, New Delhi: Dialogue Publications, 1986
22. S.S. Gill, *op.cit.*, p.27
23. Narrated to the author (S.S. Gill) by a Senior Income Tax Official, *op. cit.*, p.127.
24. S.S. Gill, *op.cit.*, p.129

25. S. Guhan, and Paul Samuel, *op.cit.*, p.283
26. The Times of India, 3rd March, 2001.
27. The Hindu, 9 June, 2001.
28. C.P. Srivastava, *Corruption Indias Enemy Within*, MacMillian India Private Ltd., 2001, p.83
29. *Ibid.*, p.81
30. S.S. Gill, *op.cit.*, p.132
31. H.L. Mansukhani, *Corruption and Public Servants*, Vikas Publishing House Pvt. Ltd, New Delhi 1978, p.20
32. Frontline, 3 April 1999.
33. The Times of India, 6 January 2001.
34. The Hindu, 3 March, 2000.
35. The Hindustan Times, 22 May, 2001.

COMMITTEES AND COMMISSIONS RELATED TO CORRUPTION

As mentioned earlier, this chapter seeks to put forth various instrumentalities or measures undertaken by Government of India since independence to confront corruption in its various departments. These may include a plethora of measures but here the focus is on :

- Commissions and Committees-their recommendations
- Acts (legislative enactments)

While enumerating the recommendations of commissions and the provisions of statutory instruments meant to combat corruption, this chapter does not delve into the issue of their efficacy of implementation. Actual success / efficacy of these measures is not evaluated here.

If categorised chronologically, the above two encompass the following:¹

1. Initial legal measures
2. Special Police Establishment, 1941
3. Prevention of Corruption Act, 1947
4. Report on Public Administration (A.D. Gorwala), 1951

5. Public Administration in India—Report of a Survey (Paul H. Appleby), 1953 and Re-examination of India's administrative system, 1956.
6. Railway Corruption Enquiry Committee (J.B.Kripalani), 1955
7. Administrative Vigilance Division, 1955
8. Commission of Enquiry of Emoluments and Condition of Service of Central Government Employees (Jagannath Das), 1959
9. Committee on Prevention of Corruption (K. Santhanam), 1964
10. The Administrative Reforms Commission (Morarji Desai, later K. Hanumanthaiya), 1970
11. Third Central Pay Commission (Raghubar Dayal), 1973
12. Prevention of Corruption Act, 1988
13. Vohra Committee Report, 1993
14. The Fifth Pay Commission (Pandian), 1993-97
15. Action Plan for an Effective and Responsive Government, 1997

Independent India inherited the British tradition of appointing commission with the stated intention of impartially arriving at the truth on a given event or issue. The Commissions of Inquiry Act of 1952 contains provisions for appointment of special inquiry commissions² to deal with 'definite matters of public importance'. These provisions can be set in motion only if the Central Government or a State Government so desires. During the past five decades, numerous commissions have been appointed both by the Central Government and by the State Governments to inquire into a wide variety of concerns. The main objective of many such commissions has been to probe into specific allegations of

corruption and misuse of office by politicians and other highly-placed government officials. There were at least 25 prominent commissions (and several other that targeted lesser known public figures) on the subject of corruption within the same five-decade period mentioned above.

The individual committees, commissions and statutory instruments are as follows:

INITIAL LEGAL MEASURES

Sections 161 to 165 of the Indian Penal Code dealing with corruption are the first step in the evolution of law on the subject.³ Section 161 deals with public servants taking gratification other than legal remuneration in respect of an official act. Section 165 deals with public servants obtaining a valuable thing without consideration in respect of an official act. Sections 162 and 163 deal with corruption by private persons influencing the public servant. Section 21 IPC defines the category of public servants. The words 'gratification' occurring in Section 161 and 'valuable thing' occurring in Section 165 have a broader meaning than mere acceptances of money. They include a) pecuniary gratification; b) gratification which is not pecuniary but estimable in money including train or air tickets; c) all forms of entertainment; and d) all forms of employment for reward. Till 1946, these offences were non-cognizable and were investigated by the local police after obtaining the permission of a magistrate.

SPECIAL POLICE ESTABLISHMENT

To cope with the evil of corruption, the British Government in India in 1941 constituted the Special Police Establishment⁴ by an executive order under a Deputy Inspector General to deal with the offences of bribery and corruption in Central Government. Initially, its responsibility was limited to investigating cases of bribery and corruption in transactions with which the War and Supply departments of the Government of India were concerned. To begin with, therefore, the superintendence of this anti-corruption agency, known as the SPE, was vested in the War Department. But at the end of 1942, the activities of SPE were further extended to include cases of corruption in the Railways. After the War, when the new government took over in 1946, it found that the administrative machinery had become considerably weakened by the war-time neglect. On assuming office in 1946, the new Government took a number of steps to deal with the problems of corruption. Therefore, the Delhi Special Police Establishment was created in 1946, and its superintendence was transferred to the Home Department.⁵ Its functions were also enlarged to cover all departments of the Government of India. The Special Police Establishment is a specialised agency for making inquiries and investigations into certain specified offences. It is supplementary to the State Police forces and has concurrent powers of investigation in respect of the offences notified under Section 3 and 5 of the DSPE Act, 1946. These offences are:⁶

- a) Those punishable under Sections 161, 162, 165, 165-A, 258 of the Indian Penal Code 1860 and Section 5 of the Prevention of Corruption Act, 1947 as amended.
- b) Offences punishable under Section 7 of the Essential Supplies (Temporary Powers) Act, 1946; (since notified);
- c) Offences under the FERA, 1947;
- d) Offences under the Imports and Exports (control) Act, 1947;
- e) Offences punishable under Section 52 of the Indian Post Office Act, 1898; and
- f) Attempts at abetments and conspiracies in relation to, or connected with, the offences mentioned under (a) to (e), and any other offences committed in the course of the same transaction arising out of the same facts.

PREVENTION OF CORRUPTION ACT, 1947

In order to grant more legal powers to punish corrupt public servants 'The Prevention of Corruption Act 1947' was enacted. During this pre-Independence period, corruption, was, however, generally confined to lower or middle level functionaries of few departments, like the Civil Supplies, PWD, Police, Excise, Forest, etc. The new anti-corruption law and the special anti-corruption police were, by and large, considered adequate to cope up with the degree and level of corruption prevalent at that time. The Prevention of Corruption Act 1947,⁷ defines

the offence of criminal misconduct as a habitual acceptance of gratification as defined in Section 161 of the Indian Penal Code.⁸ Possession of assets which cannot be accounted for satisfactorily is also viewed as criminal misconduct. The Act registered a great advance in so far as it made offences under these section 'cognisable'. Police officers of a certain rank, mainly Deputy Superintendents of Police, were authorised to arrest the suspected offenders without the production of a warrant. The Prevention of Corruption Act became law on 11th March, 1947.

In 1949, the Dr. Bakshi Tek Chand Committee was appointed by the Government of India on the subject, suggested certain amendments to procedural law. The Criminal Law Amendment Act, 1952 was passed. This is progressive legislation. It conferred power on the State Government to appoint special judges to try the cases speedily. Section 6(1) conferred power on the special judge to take cognizance of the offence on a private complaint or upon a police report or upon his coming to know in some manner of the offence having been committed.

REPORT ON PUBLIC ADMINISTRATION (A.D. GORWALA), 1951

In 1951, A.D. Gorwala,¹¹ a civil servant with high reputation for integrity had been asked by the Planning Commission to consider in different fields the question whether the present administrative machinery and methods were adequate and could meet the requirements of planned development. His report

had a whole section entitled, Integrity.¹² Gorwala recommended introducing Organisation and Method procedure in various government organisations. He stressed efficiency and discipline in the civil service and on promoting an understanding between the politicians and the administrators.

Recalling the Sanskrit proverb "As the king so the people,"¹³ he stressed that it was the conduct of those at the top which shaped the country's development.

Gorwala, therefore, urged that "arrangements must be made that no one, however highly placed, is immune from enquiry if allegations against him are made by responsible parties and a prime facie case exists."

This is the crux of the matter; the initiation of an investigation into crime or an inquiry into charge of corruption or maladministration must not depend on the wishes of the men in power. If it does, it ceases to be government according to the rule of law. The best form of machinery would be a tribunal¹⁴ to enquire, that is, a tribunal the purpose of which is not to punish but to find out and establish facts. According to Gorwala, the authority responsible for setting up the "tribunal" might, for the Central Government, be the President, and, for the State Governments, the Governors acting in consultation with the President. Gorwala also argued that political leadership had not been able to establish clean administration because, some of them, lacked in integrity.

It is often difficult to produce sufficient proof of corruption to obtain a conviction in a court of law and yet there may be strong and reasonable suspicion coupled with persistent public talk. Here too effective action is essential. Punishment for corruption should be exemplary, the least being dismissal from service.

Gorwala suggested the best approach to the problem: the present time would seem to be:¹⁵

- a) Giving first place to first things and making the best use of the best people: priorities for policies and personnel;
- b) Insisting on standards of integrity, implicit and explicit not only the reality of integrity but also the demonstrable appearance of integrity;
- c) Promoting mutual understanding: proper readjustment of the human relations involved in Government and administration;
- d) Reorganising the machine so as to ensure greater speedy effectiveness and responsiveness; and
- e) Arranging for proper training, for the short-term as well as the long – term, and planning proper recruitment for the long-term.

This was, probably, the first official document to discuss corruption by politicians in power. The tendency hitherto was to treat the vice as an affliction of the civil services or businessmen.

Gorwala's report on the Planning Commission served as the basis for the formulation of certain crucial administrative proposals which were later included in the First Five Year Plan.

PUBLIC ADMINISTRATION IN INDIA-REPORT OF A SURVEY (PAUL H. APPLEBY), 1953

Two reports which had a significant impact were Paul H. Appleby's 'Public Administration in India : Report of a Survey, 1953'¹⁶ and "Re-examination of India's administrative system, 1956".¹⁷ Appleby's two reports in 1953 and 1956 made significant impact on the thinking and interest in administrative reforms amongst the government officials, educated elites and the academics, primarily because it was perhaps the first appraisal of the Indian Administrative System, by a foreign expert. Although reports were critical of the administrative machinery, they were complementary of the administrative system as a whole.

Paul H. Appleby while reporting on "Public Administration in India" found four popular criticisms against the Indian Government. They were that it had too many employees, that it was permeated with dishonesty, that it was inefficient and that its work was unnecessarily hampered by "red tape". He also devoted a full chapter on the problem of corruption.¹⁸

Appleby suggested some structural changes in the administrative machinery to check corruption¹⁹. The simplest kind of structural protection is a

division of function and responsibilities so that favouritism requires not merely one employee willing to do the wrong thing, but conspiracy of a number of such persons, preferably in a minimum of three different organisational units with differentiated responsibilities and lines of review. To illustrate it, he suggested that no one person, and no one organisational unit, should have simultaneous responsibilities for certifying a pay-roll and receiving and distributing pay-checks. His other suggestion was to have a more complicated and complementary structural device in which there should exist programmatic operating agency hierarchies paralleled by another hierarchy charged with checking that operation thoroughly and at all levels.

Appleby brought to his inquiry a freshness of outlook and experience an insight into social and governmental problems which lend special weight to his observations and suggestions. He is concerned less with the details of administrative machinery and method, and far more with the principles and concepts which lie behind the institutions and the practices which have grown up over many years.

He made several recommendations for improving work procedure and for enhancing the capabilities of the administrative organisation. His most particular and definite recommendations are as follows.²⁰

- a) The establishment directly under an appropriate Minister, with strong Government backing, of an Organization and Management or Public Administration office.

- b) The making of further and more specialised studies by a team of outside experts, a new O and M office would be equipped for them.
- c) Government sponsorship of the establishment of an Institute of Public Administration for India, to provide a national, informal focussing of attention on public administration as a profession of many facets and elements.
- d) In all developmental and social-action fields, consolidating responsibility by simplifying and reducing inter-ministerial involvement and reviews, improving the method of reviewing at different levels of government, and improving the form and movement of paper involved in administrative work.
- e) The establishment, of extensive and sustained Personnel Development Programs designed to maximise the potentialities of all persons working for the government.
- f) The establishment, as a sequel to heightened responsibility of agencies charged with action, of adequate methods of checking on action during and after the fact.

Paul Appleby was critical of the method adopted by the UPSC for recruiting civil servants through advertisements.²¹ He also criticised the tendency of the Ministry of Finance to centralise powers and not to delegate them to the operational ministries.

RAILWAY CORRUPTION ENQUIRY COMMITTEE (J.B. KRIPALANI), 1955

The Minister for Railways and Transport, in his budget speech in the Parliament on the 18th Feb. 1953,²² referred to the prevalence of corruption amongst the Railway staff and declared that Government would be shortly appointing a Committee of Members of Parliament and, if necessary, a few others to report to the Government, the extent of corruption on Railways and the means to achieve its elimination.

The Government of India notified the appointment of the Committee, in their press communiqué dated the 9th Sept. 1953 in the following terms:-

"In pursuance of the decision of the Railway Minister to constitute a committee of Members of Parliament and a few others to enquire into the prevalence of corruption on Indian Railways, it has been decided to set up a Committee under the chairmanship of Acharya J.B. Kripalani".

The Committee made sweeping recommendations to improve the standard of integrity in the Railways. They are as follows:

- a) A concentrated drive should be made and sustained for a long period for removal of corruption²⁴ (paragraph 24).
- b) When there is suspicion about an officer's integrity, his actions, his financial position and the financial position of such of his relatives and

close friends as seem to be enjoying a luxurious life should be investigated. He should not in any case be kept in any position of responsibility or influence (paragraph 25).²⁵

- c) In proved cases of bribery and corruption, punishment must be swift and deterrent. Appropriate fines should invariably form part of the punishment (paragraph 184).²⁴
- d) Anti-Corruption Organisations on Railways should be strengthened. (Paragraph 188).²⁷
- e) Railway Servants Conduct Rules should be included in the curriculum of the Railway Training Schools (Paragraph 194).²⁸
- f) Officers should become leaders of men working under them by setting example of efficient and honest handling of the task allotted to them and by absolute fairness and impartiality in their dealings with their subordinates. They should set an example of simple living and high regard for duty. They should also assist the Trade Unions to develop on healthy and useful lines (Paragraph 216).²⁹
- g) Legislators should avoid sending recommendations to the Ministers or Government officials regarding individual cases of Railway employees for promotions, transfers, cancellation or reduction of punishments, etc. Those in the public life of the country, to whatever party they belong, should lay down healthy conventions and refrain from interfering with the administration to accommodate their relations,

friends, castemen and those who have personally obliged them (paragraph 221).³⁰

- h) Public men and social workers should be alive to the danger of corruption in public administration. By precept, practice and constant propaganda they should make the general public conscious of their civic responsibility and create a strong opinion which will not tolerate any individual or a group indulging in anti-social practices (Paragraph 221).³¹

ADMINISTRATIVE VIGILANCE DIVISION

In a Note of 8 August 1955 the then Home Minister (Govind Ballabh Pant) regretted that, despite the recommendations of many committees and some steps already taken to check corruption in the public services, the results achieved could not be regarded as satisfactory. The explanation he gave for 'comparative failure' was that 'the Central Government is an unwieldy machine functioning through numerous departments and agencies spread over a vast area and employing hundreds of thousands of persons in all grades and types of posts'. And yet there had in the past been no provision for a 'centralized drive, direction and coordination'. While recognizing that each ministry and department was responsible within its own sphere for the prevention and punishment of corruption, Pant emphasized the necessity of having a central agency to co-ordinate the efforts of the various ministries and departments to provide direction, drive and assistance wherever needed. A Central Administrative Vigilance Division was accordingly created in the Home Ministry with a Director at its head and adequate

staff to assist him. Subject to the overall direction and control of the Home Secretary, the Director was to supervise the working of the Special Police Establishment in the conduct of investigations. He was expected to maintain close liaison with the Secretaries and Vigilance officers of the ministries and departments to eliminate delay and impart speed in the direction and punishment of persons involved in corruption.

In the initial stages, however, the Director, Organization and Methods Division, was also invested with the overall charge of the Administrative Vigilance Division. It was similarly considered desirable in many ministries to combine in a single officer the duties of Vigilance Officer and O & M Officer.³² Administrative Vigilance Division performs the following functions:

1. To assume overall responsibility for anti corruption measures.
2. To provide the necessary drive, direction and coordination.
3. To derive sustained and vigorous action by individual departments and ministries.

COMMISSION OF ENQUIRY OF EMOLUMENTS AND CONDITIONS OF SERVICE OF CENTRAL GOVERNMENT EMPLOYEES (JAGANNATH DAS), 1959

The Second Pay Commission³³ was set up in 1957 under the chairmanship of Jagannath Das and it submitted its report of the Commission of Enquiry of Emoluments and Conditions of Service of Central Government Employees two

years later, in 1959. Although the Second Pay Commission was not set up as a body to report on the administrative reforms and was primarily concerned with the questions of emoluments and conditions of service of the Central Government employees, it, nevertheless, made certain recommendations of far-reaching significance on a few crucial aspects of personnel administration in the Central Government. These recommendations laid emphasis on merit for promotion to senior posts; introduction of a system of promotion by special competitive examination to provide additional opportunity of entry by Class II and III services to Class I services; heading of technical departments by a Secretary having a technical background in that field; establishment of departmental joint councils etc.

The structure of emoluments and conditions of service should be so designed as to ensure recruitment at different levels of persons with requisite qualifications and abilities and to keep them efficient (paragraph 7; chapter IV).³⁴

Once the demands of efficiency of the public service are satisfied, social considerations require limitation of disparities between the highest and the lowest salaries, and their reduction as far as possible (paragraph 30; chapter IV).³⁵

Instead of placing a general ban on public expression of views and then providing for some exceptions (as is the case at present), a general freedom of

intellectual expression should be recognised and only such specific restrictions should be imposed as are necessary to meet the requirements of the public service (paragraph 4, chapter XLVII).³⁶

A Whitley type machinery, with a central joint council representing the whole body of central government employees, both industrial and non-industrial should be set up for negotiation and settlement of disputes. (Paragraph 12-14; chapter L).³⁷

The most important recommendation, which was later also emphasised by the Administrative Reforms Commission, was the abolition of the existing system of classification of services and posts into four classes I, II, III and IV in the interest of creating a feeling among civil servants of belonging to a common public service (paragraph 4; chapter LII).

The above recommendations of the commission show that it was prompted by an unbiased, liberal and pragmatic approach to the administrative problems.

COMMITTEE ON PREVENTION OF CORRUPTION (K. SANTHANAM), 1964

At the time of the budget discussion in 1962 in the Indian Parliament, the members expressed their grave concern over the ever growing corruption in the public services and urged the government to set up a Committee to investigate

into the problem. As a result, Lal Bahadur Shastri (then Home Minister), set up a committee under the chairmanship of K. Santhanam³⁹ (a former member of the Constituent Assembly) to study the causes of corruption, to review the existing set up for checking corruption in the Government and to suggest measures for their improvement. The Committee's final report was presented to the Government of India on March 31, 1964. Political corruption was beyond the purview of the Committee.

Commenting on the scope of corruption, the Santhanam Committee observed:

'There is a general impression that it is difficult to get things done without resorting to corruption. Scope for corruption is greater and the incentive to corrupt stronger at those points of the organisation where substantive decisions are taken in matters like assessment and collection of taxes, determination of eligibility for obtaining licences, grant of licences, ensuring fair utilisation of licences and goods obtained thereunder, giving of contracts, approval of works and acceptance of supplies. We were told by a large number of witnesses, that in all contracts of construction, purchases, sales and other regular business on behalf of the Government, a regular percentage is paid by the parties to the transaction and this is shared in agreed proportions among the various officials concerned'.⁴⁰

Explaining further, the committee stated

"Corruption can exist only if there is someone willing to corrupt and capable of corrupting. We regret to say that both this willingness and capacity to corrupt is found in a large measure in the industrial and commercial classes".⁴¹ The ranks of these classes have been swelled by speculators and adventures of the worst kind. To these, corruption is not only an easy method to secure large unearned profits, but also the necessary means to enable them to pursue their vocations or retain their positions among their own competitors.

This is a realistic analysis of the prevailing position in the administration and it shows how the relationship is established and the dubious manner in which it is done, between the officials and the business community.

The Committee did not favour the establishment of a permanent tribunal or Ombudsman, for the enquiries it had suggested. Instead, it wanted a "National Panel" to be constituted of eminent persons by the President of India.

Some of the important suggestions of the Committee were that Article 311 of the Constitution should be amended so as to make the judicial process in corruption cases easy and speedy; that there should be Central Vigilance Commission with autonomous powers and restriction on government servants from accepting private employment after retirement under the control of private business man.

The Committee also made recommendations relating to the Government Servants Conduct Rules. This corruption, the report said, was politico-administrative in nature, organised and had deep roots.

In pursuance of the recommendations made by the Committee on Prevention of Corruption, the Central Government set up, in Feb. 1964, the Central Vigilance Commission⁴² headed by a Central Vigilance Commissioner by an executive order. While the recommendations for setting up the CVC was accepted by the Government, the scheme of the CVC as finalised by the government did not contain many of the important features recommended by the Santhanam Committee.

Some very important recommendations by the Committee regarding framing a Code of Conduct, standard of behaviour for the Members of Parliament and State Legislatures and declaration of assets by the men in position have not been fully accepted.

Another important measure was the creation of CBI in 1963,⁴³ which incorporated Delhi Special Police Establishment as its investigation and anti-corruption division.

THE ADMINISTRATIVE REFORMS COMMISSION (MORARJI DESAI, Later K.HANUMANTHAIYA), 1970

On 2nd January 1966, the most comprehensive measure in administrative reforms was taken by appointing the Administrative Reforms Commission ⁴⁴ under the chairmanship of Morarji Desai (succeeded in 1967 by K. Hanumanthaiya). Taking four years, the commission published 20 reports making a total of 581 recommendations.

The most important reports were those on personnel administration, machinery of government and its procedures of work, Centre-State relations and the redress of citizens' grievances. Some of the most significant recommendations made by ARC were : a) the appointment of Lok Pal (at the Centre) and Lokayuktas (in the States) to deal with complaints of corruption and public grievances; b) procedural reforms relating to the elimination of delays in sanctioning of pensions to retired officials and payment thereof ; c) Constitution of a policy advisory committee, policy cells and policy officers in each department or ministry d) establishment of a central personnel agency at the centre (Department of Personnel and Administrative Reforms)⁴⁵ under the Cabinet Secretariat and independent personnel departments in each ministry. The ARC emphasized the need for the de-politicisation of the services and the creation of a climate and culture of administration, that would help arrest the growth of unhealthy personal relationship between civil servants and the minister.

THIRD CENTRAL PAY COMMISSION (RAGHUBAR DAYAL), 1973

In 1970 yet another attempt was made by the Government of India to review an important aspect of personnel policies, viz. the salaries and grading structure of the civil and military service through the establishment of the IIIrd Pay Commission known as Dayal Commission after Mr. Raghubar Dayal, who headed it. Although the Commission, as is explicit from the name, was set up to consider the structure of salaries and conditions of service of Central Government employees, it also made certain recommendation on various aspects of personnel administration, such as classification of services; staffing and efficiency in Government Services; promotion and headquarters organisation of the Government of India. It also emphasised the need for efficiency and therefore, recommended that the Department of Administrative Reforms, Staff Inspection Unit and Organisation and Methods and Internal Finance branches in each Ministry "should be strengthened and their range of activity diversified with a view to achieving the objective of improving efficiency at minimum cost. While stressing the importance of promotion it recommended a large number of competitive examinations for employees in class II and class III. The Report introduced the concept of classifications of posts contingent upon assumed equivalence of the work context of various occupational groups at different levels.

The Third Pay Commission also recognised the link between low salaries and corruption. It said,

While it is not argued that the payment of high salaries by itself is a guarantee for the honesty and integrity of the public service, it can be confidently stated that the payment of a salary which does not satisfy the minimum reasonable needs of a government servant is a direct vitiation to corruption.

Most of the recommendation of the Commission with reference to the salary structures of class II and Class III positions have been accepted and in some cases improved and implemented.

PREVENTION OF CORRUPTION ACT, 1988

The anti-corruption laws of the country have since been further consolidated through the enactment of a more comprehensive legislation – The Prevention of Corruption Act, 1988.⁴⁸ It extends to the whole of India except the State of Jammu and Kashmir and it applies also to all citizens of India outside India. This latest Act supersedes the Act of 1947 and Sections 161 to 165A of the Indian Penal Code, with a view to removing any confusion in the implementation of the new Act. To give an idea of the range of corrupt acts as defined by this law, the important Penal sections of the Act are Sections 7, 8, 10, 11 and 13.

The Act elaborately defines the term "Public Servant"⁴⁹ to cover all varieties of persons in authority, politicians and civil servants alike. Clause (VIII)

of the definition in particular, quoted below, is wide enough to include even M.L.A's and M.P's who are not Ministers or Chairman etc. Any person who holds an office by virtue of which he is authorised or required to perform any public duty".

The Central Government or the State Government has the power to appoint special judges for cases punishable under this Act. No court shall take cognizance of an offence punishable under sections 7, 10, 11, 13 and 15 alleged to have been committed by a public servant except with the previous sanction. The Code of Criminal Procedure, 1973 to apply subject to certain modification.⁵⁰ The Prevention of Corruption Act, 1947 and the Criminal Law Amendment Act, 1952 are hereby repealed. Sections 161 to 165 A (both inclusive) of the India Penal Code shall be omitted, and section 6 of the General Clauses Act, 1897, shall apply to such omission as if the said sections had been repealed by a Central Act.

VOHRA COMMITTEE REPORT (MINISTRY OF HOME AFFAIRS), 1993

Government had (through its Order no.5/7937/ss (ISP)/93 dated 9th July, 1993 established a Committee,⁵¹ to take stock of all available information about the activities of crime Syndicates / Mafia Organisations which had developed links with and were being protected by Government functionaries and political personalities. Director of IB (member) has reported that due to progressive decline in the values of public life in the country "warning signals of sinister

linkage between the underworld, politicians and the bureaucracy have been evident with disturbing regularity, as exemplified by the exposures of the networks of the Bombay blast case". He has recommended immediate attention to:

- a) Identification of the nexus between the criminals / Mafias and anti-national elements on the one hand and bureaucrats, politicians and other sensitively located individuals on the other.
- b) Identification of the nature and dimensions of these linkages and the modus operandi of their operations.

Vohra Committee report, among other recommendations, has suggested the setting up of a nodal agency to process information on the mafias in the various parts of the government, particularly the revenue department agencies and second, a massive crackdown, without any political interference and with the backing of the entire government machinery and judiciary.

Some of the points made by the committee are.⁵²

- a) Government has a lackadaisical approach towards breaking the nexus.
- b) The activities of Ibrahim and Memon brothers could not have happened without the backing of the government officials.
- c) In certain states like Bihar, Haryana and U.P crime syndicate enjoy the protection of government functionaries and patronage of politicians cutting across party lines.

- d) Stronger smuggling links-with international connections have crept into various economic and financial activities including hawala transactions and the circulation of black money.
- e) The money power acquired by mafia is used for establishing contacts with bureaucrats and politicians.
- f) The existing criminal justice system, designed to deal with individuals offences / crimes, is unable to control the activities of the mafia.
- g) Assessment of the impact of these linkages on the various institutions, viz. the electoral, political economic, law and order and the administrative apparatus.
- h) Nexus, if any, between the domestic linkages with foreign intelligence.
- i) Necessary action to show effective action to counteract / neutralise the Mafia activities.
- j) Political and legal constraints in dealing with the covert / illegal functioning of the linkages.

THE FIFTH CENTRAL PAY COMMISSION (PANDIAN), 1993-97

The Fifth Central Pay Commission⁵³ was set up by a Government notification dated 9th April, 1994 Justice S. Ratnavel Pandian, a former Judge of the Supreme Court of India headed the Commission. The pay body pleaded for

changes in work methods and work environment. It sought definite improvement in administrative productivity and enforcement of accountability. It wanted transparency in government. Equally important is the effective redressal of citizen's grievances. More importantly, the Commission recommended abolition of 3.5 lakh vacant post in Government and downsizing of the Central bureaucracy by 30 percent in a time frame of ten years. Automation and computerisation would be brought in wholesale so as to cut down paper work. As the corruption at the political level is the fountain head of bureaucratic corruption, effective steps should be taken to eradicate such corruption or reduce it to the minimum. The commission recommended the following:⁵⁴

- a) enact a new legislation which would eradicate corrupt electoral practices
- b) set up a National Election Fund to provide adequate funds to political parties.
- c) pass the Lok Pal Bill at the earliest, covering both the political and bureaucratic leadership at the top.
- d) The Central Vigilance Commissioner should be strengthened.
- e) Full time Inquiry officers may be appointed by all important departments, to ensure that day-to-day hearing are held and departmental inquiries normally completed within 3 months.

However, what differentiates the Fifth Pay Commission from its preceding pay commission is the fact that it goes beyond the mechanical recommendation

of enhancing pay scales and allowances and looks at the ethos of Government functioning.

ACTION PLAN FOR AN EFFECTIVE AND RESPONSIVE GOVERNMENT, 1997

The year 1997 seems to have suddenly focussed universal attention on the menace of corruption. Both the President and Prime Minister of India highlighted it in their speeches during the golden jubilee celebration of India's Independence. In a special session of the Parliament convened to discuss major national issues, the Speaker of the Lok Sabha suggested the launching of a second freedom struggle to eradicate corruption in public life. On 24th May 1997 Action Plan⁵⁵ was presented to the Conference of Chief Minister's by the Government of India for Effective and Responsive government, which includes:

- Citizen-friendly and accountable administration;
- Ensuring transparency and the right to information; and
- Taking measures to cleanse and motivate Civil Services.

CONCLUSION

The lengthy enumeration in this chapter of commissions and laws formulated by the Government of India clearly highlight that there is no dearth of structural measures (legal framework) to combat corruption. Adequate means have been provided for to take the guilty to the book. What then still explains the ubiquitous presence of corruption is lack of will on the part of executors.

Moreover, corruption being an all pervasive phenomenon, mere administrative reform would not suffice since administration is not immune to or isolated from other instruments and processes in society, what is called for is reforms and ameliorative measures in certain other fields as well. If carried out in earnest, these shall also have major implications for administrative corruption.

Hence the next chapter takes a look at some of the strategies – at a national level – seen as necessary for controlling this growing menace.

Notes and References

1. S.R. Maheshwari, *Administrative Reforms in India*, Jawahar Publishers, New Delhi, 1993.
2. Vinod Pavarala, *Interpreting Corruption: Elite Perspectives in India*, Sage Publications, New Delhi, 1996.
3. G. Reddy, Ramachandra, *How effective are our laws to combat corruption?*, The Hindu, 3 Oct. 2000, p.21.
4. A collection of the Acts of the Central Legislature and Ordinance of the Governor Generals for the year 1946, printed in India for the Manager of Publications, Delhi by the Manager Government of India Press, Simla, 1947.
5. Government of India, Ministry of Home Affairs, Report of Special Police Establishment Enquiry Committee (1949-1952), New Delhi, 1952, p.12.
6. Government of India, Ministry of Railways, Report of the Railway Corruption Enquiry Committee (1953-55), p.83.
7. Government of India, Ministry of Law, Prevention of Corruption Act 1947, New Delhi.
8. *Ibid.*

9. B.B. Mishra, *Government and Bureaucracy in India: 1947-1976*, Oxford University Press, 1986.
10. G. Ramachandra Reddy, *How effective are our laws to combat corruption*, *op.cit.*, p.21.
11. Government of India, A.D. Gorwala, *Report on Public Administration*, Planning Commission, 1951.
12. *Ibid.*, pp.12-27.
13. *Ibid.*, p.12.
14. *Ibid.*, p.16.
15. *Ibid.*, p.7.
16. Government of India, Paul H. Appleby, "Public Administration in India", *Report of a Survey*, New Delhi, 1953.
17. Government of India, Appleby, Paul H., *Reorganisation of India's Administrative System*, New Delhi, 1956.
18. *Ibid.*, p.48-50.
19. *Ibid.*, p.49.
20. *Ibid.*, p.13-15.
21. *Ibid.*, p.24.
22. Government of India, Ministry of Railways, *Report of the Railway Corruption Enquiry Committee*, 1953-55.
23. *Ibid.*, p.2.
24. *Ibid.*, p.130.
25. *Ibid.*, p.130.
26. *Ibid.*, p.140.
27. *Ibid.*, p.141.

28. *Ibid.*, p.142.
29. *Ibid.*, p.145.
30. *Ibid.*, p.146.
31. *Ibid.*, p.146.
32. Premlata Sharma, *Issues in Indian Administration*, Mangal Deep Publications, Jaipur, India, 1998,p.175.
33. Government of India, Ministry of Finance, *Report of the Second Pay Commission*, New Delhi, 1959.
34. *Ibid.*, p.574.
35. *Ibid.*, p.574.
36. *Ibid.*, p.600.
37. *Ibid.*, p.600.
38. *Ibid.*, p.601.
39. Government of India, Ministry of Home Affairs, Report of the Committee on the Prevention of Corruption (Santhanam Committee), New Delhi, 1964.
40. *Ibid.*, p.10.
41. *Ibid.*, p.11.
42. S.R. Maheshwari, *Administrative Reforms in India*, Jawahar Publishers, New Delhi, 1993, p.365.
43. *Ibid.*, p.367.
44. Government of India, Ministry of Home Affairs, Department of Administrative Reforms, *Report of the Department of Administrative Reforms*, Manager of Publications, New Delhi, 1966, p.1.
45. Government of India, Ministry of Home Affairs, Department of Personnel and Administrative Reforms, *Report on Personnel Administration*, New Delhi, 1970-71.

46. Government of India, Ministry of Finance, *Report of the Third Pay Commission*, New Delhi, 1973.
47. *Ibid.*, p.30.
48. Government of India, Ministry of Law, *Prevention of Corruption Act*, New Delhi, 1988.
49. *Ibid.*, p.463.
50. *Ibid.*, p.465.
51. Government of India, Ministry of Home Affairs, "Vohra Committee Report", *Indian Journal of Public Administration*, Vol.41, 1995.
52. Vohra Committee Report, *Civil Services Chronicle*, November, 1995, p.55.
53. Government of India, Ministry of Finance, *Report of the Fifth Pay Commission*, New Delhi, 1997.
54. *Ibid.*, p.209, 210.
55. "Action Plan for Effective and Responsive Government", *Indian Journal of Public Administration*, Vol.44, 1998, p.627-633.

Chapter IV

STRATEGIES FOR COMBATING CORRUPTION

Corruption has presently reached alarming proportions across all sections of our society. Society has learned to live with it, even considering it, fatalistically, as an integral part of their culture. Not only are public or official decisions – for instance, on the award of government contracts or the amount of tax due-bought and sold, but very often access to a public service or the exercise of a right, such as obtaining civil documents; also has to be paid for.¹

A whole host of conditions can influence corruption, its different manifestations, its pervasiveness and, indeed, its perception by ordinary citizens. Understanding the multifaceted dimension of corruption is essential in order to identify workable ways of dealing with it.

Corruption comes in many guises.² Bribery, extortion, fraud, trafficking, embezzlement – but also nepotism and cronyism – are all different manifestation of it. Even the most straight-forward acts of bribery need not always involve the exchange of money. Other gifts or advantages, such as membership of an exclusive club or promises of scholarship for children, have been used as “sweeteners” to clinch deals. Whatever form it takes, corruption is always a two-way transaction; it requires a supply side (the briber) and a demand side (the one

who receives the bribe). That is why measures must be designed to hit both sides of the corruption equation.

Another aspect of corruption³ is that it can occur in many different sectors of the economy (as discussed in chapter 2). There are different degrees of corruption too. That is why fighting corruption is so important. Finding effective, credible and enforceable measures to stamp out corruption and to hold those guilty accountable is more than a noble objective.

Bureaucratic corruption has largely its roots in, and draws its support from, the country's political process; and its reform is not possible without the simultaneous reform of the country's political system. As corruption is spreading like a cancer in our system, it has to be tackled at many ends – political, economic, judicial, electoral, administrative and above all educational, before it destroys the nation.⁴

POLITICAL REFORMS

As mentioned by the President in his address for the Golden Jubilee function,⁵ over the years corruption have crept into our public life and consequently into administration. It is amazing how and why these did not attract the notice of powers that be even though we could see this ill staring in our face for the last several years. However, better late than never. The first and the foremost task, therefore, is to rid the polity and administration of these vices

which are not only responsible for the present maladministration but are also striking at the very integrity of the nation.

It is, therefore, necessary that immediate steps are taken to restore probity in public life. Unless the top is perceived as unblemished, there is little chance that administration down below will be clean and fair. Without cleansing the political system, the scope for cleansing the administrative system is limited. The following measures can be considered:

Ombudsman for Grievances of Civil Servants

Creation of a Lokpal Institution at the Centre and the State for looking into the grievances of government servants,⁶ prompt action on investigation, prosecution and punishment of officers who are involved in corruption cases and so on are also unlikely to see any expeditious action. The resolution adopted by the "Chief Ministers" Conference on May 24, 1997 itself provides for "making appropriate allowance for variation on local circumstances", an euphemism for stalling action. Otherwise, the remedies for improving the present mess in the bureaucracy in the country should have been accepted as a universally applicable package of measures for time-bound implementation.

Introduction of a Statutory Code of Conduct for Parties, MPs and Ministers

Currently, Government employees in the Central Government have certain duties and responsibilities under the Conduct Rules. These have to be completely

re-written so as to be in accord with modern notions of accountability. The numerous service and conduct rules should be reviewed in order to arrange for the review of the integrity and efficiency of officers at any stage during the career, and the compulsory retirement of officers of doubtful integrity.

Adoption of the Code of Ethics of public services based on constitutional principles and values, with appropriate amendments in the existing codes of conduct. Such a code, given in Annexure VIII,⁷ not only seeks to regulate the role of the civil servants, but also specifies the relationship between employees in public services and politicians, so that the basic commitment of the civil servants towards the welfare of the public and the principles enshrined in the Constitution is reiterated.

Declaration of Assets and Liabilities

Every Member of Parliament shall furnish a return of all assets⁸ owned by him and members of his family and all liabilities incurred by him and the members of his family before Lokpal every year.

In his article analysing anti-corruption strategies in the Asean countries Jon S.T. Quah⁹ argues that "The consequences of corruption can be minimised if government has an effective anti-corruption strategy and implements it impartially. Specifically, the more effective anti-corruption measures are, the greater their impact on the society in terms of reducing the negative effects and

the level of corruption. The effectiveness of anti corruption measures depends on two factors: (1) the adequacy of the measures in terms of the comprehensiveness of their scope and powers; and (2) the level of commitment of political leader to the goal of minimising corruption. In other words, for anti corruption measures to be effective, they must be properly designed (to attack the causes of corruption), and they must be sponsored and upheld sincerely by political leaders. In short, the most elaborate and well-designed anticorruption measures will be useless if they are not enforced by the political leadership.

Contra this position, Satya Pal Dang argues¹⁰ against use of political leadership to combat corruption, to quote him, " Not anti-corruption forums set up by the corrupt people to hide their own corruption". Organised public opinion together with suitable laws can lead to its considerable reduction in production provided a consistent struggle against it is launched. The struggle has to be at all levels-against corruption at high levels as well as ground levels with an attitude of no – mercy against the corrupt. Of course, punishment for every corrupt practice should not be the extreme one – dismissal or hanging as the case may be. Where punishment combined with some other steps can lead to reformation it should not be harsh. Where reform is not possible, punishment must be harsh: dismissal; prosecution and conviction together with confiscation of ill-gotten wealth etc.

ECONOMIC MEASURES

- a) Comprehensive review of public expenditure to eliminate waste, infructuous expenditure and obsolete programmes, schemes and organisations.
- b) Tax all ostentatious and extravagant expenditure.
- c) Impose heavy penalty for tax evasion and for economic offences like foreign deposits. Do not legalise black money (except when utilised for social investment).¹¹
- d) Confiscate all property beyond the known sources of income.
- e) Punish blackmarketeers and black money holders not only through heavy penalty but also with severe imprisonment.

REFORM IN JUDICIARY

Many a time attempt was made to reform the Judicial Administration with the object of eradicating the evils of securing speedier and less expensive justice for the litigant but so far complete success could not be achieved. There is a need for a judicial commission¹² to ensure the selection of best talents and persons of highest integrity in the judiciary "Justice delayed is justice denied". Cases remain pending in different courts for a number of years. This is one important reason for people losing faith in the criminal justice system. So, there needs to be a time framework for the disposal of all cases. The judges are also overburdened. Even sanctioned posts are not filled up. There is also need to

increase the number of special judges who exclusively try prosecutions launched by the Central Bureau Investigation under the Prevention of Corruption Act.¹³ There is infinite scope for simplification and clarification of our laws and acts. Obsolete laws and legal provisions should be abolished. Also, the language utilised should be easy to comprehend for the average citizen. Computerisation of all laws and cases should be urgently achieved making it easier to find the cases and judgements relevant to a particular situation. There should exist a machinery independent of the government which can provide speedy justice to the citizen with a genuine grievance against the state. Administrative tribunals as in Britain and other European countries are ideally suited to India where the judicial system is slow and expensive. This would not only dispense cheap and prompt justice, but also lighten the burden of the courts. Also is required proper training infrastructure for imparting periodical and in-service training to members of the Judiciary.

ELECTORAL REFORMS

In order to ensure that the elections are conducted in a free, fair and peaceful manner and more smoothly, the Election Commission has taken several innovative steps and measures in the recent past.¹⁴ There is need to enact a new legislation which would eradicate corrupt electoral practices. The Election Commission is currently undertaking the computerisation of the electoral rolls throughout India, which should lead to vast improvements in the accuracy and speed with which the electoral rolls can be updated.

- a) Disqualification of a person found guilty of corrupt practice.
- b) **Regulation of donations by companies to political parties:** Efforts should be made to create an atmosphere where there is more transparency in financial dealings rather than take extreme measures which would only drive these activities underground and away from the public gaze. Companies may be allowed to contribute for political causes.
- c) **Curbing of Role of Money Power in Elections: Improvising existing arrangements:** The Election Commission should have the power to call for details of money spent by political parties in connection with elections. Election Commission is in touch with the ground realities, with the political system in the country, and with elections and electioneering that takes place in various constituencies, is best equipped to fix ceiling on election expenses, for various constituencies before every general election.
- d) **Criminalisation of Politics** – debarring persons properly charged by a Court in respect of certain offences from contesting elections. The whole country is now expressing serious concern over the anti-social and criminal elements entering the electoral arena. The Election Commission has suggested that any person who is accused of any offence punishable with imprisonment for five years or more should be disqualified, even when his trial is pending, provided that the competent court of law has taken cognisance of the offence and framed the charges against him.

EDUCATIONAL REFORMS

- a) Laying emphasis on moral, ethical and spiritual values in the educational institutions as well as through the print and electronic media statutorily.
- b) Introduction of Moral Instruction based on universal values to inculcate man's responsibility as the representative of God on earth and his eventual accountability to God for all his deeds and misdeed,¹⁵ thus adding a moral and spiritual dimension to his personality but in a manner which does not amount to promotion of the majority religion or the erosion of the integrity of minority religions in our multi-religious society.

ADMINISTRATIVE REFORMS

Institutional Reforms: Transparency and Right to Information

Lack of openness and undue stress on official secrecy not only divide the people and the government, but also obstruct the path of an accountable and democratic governance. However, complete openness is neither feasible nor desirable.¹⁶ Accordingly, a balanced approach to openness in government functioning has to be devised. Thus what we need in the country today is a limited openness in government functioning, which would make available ex post facto information about various, but not all, government decisions to the citizens of this country. In this respect, the following significant steps are being taken.

a) ***Computerisation of Government Operations***

An attempt is being made for networking of agencies and providing better services to the people and for this purpose, computerisation had been adopted as an important facilitating instrument. New software is being developed to focus on services like Internet-based information for business, inter-connectivity of departments etc. It is hoped that through computerisation, decisional systems would become more rational and the record system would be made more transparent.

b) ***Freedom of Information and Transparency***

At the level of the Government of India, the report of the working group on Right to Information and Transparency is in the process of implementation, while at the state level, rigorous thinking is going on for re-designing legislation to facilitate the common citizen to use his right to information. Tamil Nadu and Goa have already enacted a legislation for Right To Information. Dissemination of information regarding government operations include recourse to user-guides, publications, notice board displays, booklets in different languages and so forth. Besides, Information and Facilitation Counters (IFCs) in various ministries have also been set up.¹⁷ The IFCs provide information to users regarding the scope of activities of the concerned organisation, the schemes it operates, stipulated procedures to be followed, the status of applications etc. All IFCs are computerised, and these are located outside the security zone to obviate the need, on the part of the visitor, to obtain an entry pass.

c) ***Formulation and Implementation of Citizens' Charter***

The Citizens' Charter¹⁸ reflects a commitment of the concerned Ministry / Department etc. to provide specific services within a specific time frame as far as possible. The Charter assures clearly stated standards of service and notifies proper channels for redress of grievances. It is, therefore, important to identify and publicise standards of services and time limits that the public can reasonably expect, clearly in critical activities with a public interface.

d) ***Redress of Public Grievances***

Immediate measures are needed for strengthening the machinery for grievance redressal at all levels,¹⁹ increased thrust on the needs of disadvantaged and vulnerable sections, attention to systematic reforms, meaningful efforts to reach the unserved public-spirited citizen panels to assess service organizations, gender sensitive approach at all levels, and well-understood systems of filing complaints relating to poor services and malfeasance and prompt action thereon, accompanied by close monitoring of delays and punishment of the delinquent while devising ways to filter frivolous complaints. The good examples in different states should be widely publicized and scaled up along with due recognition for innovation and citizen-friendly attitudes.

e) ***Simplification of Rules and Procedures***

Simplification and consolidation of rules and procedures is an on-going process.²⁰ The government has taken up simplification of laws, rules and

procedures under its policy of preventive vigilance as well as for improving efficiency in the organisation. Initiatives to be taken with a view to make the laws / rules citizen-friendly.

f) ***Modernisation of Government Offices***

A plan scheme must be introduced to help the Ministries / Department to improve their work environment through adoption of functional lay out, creation of open offices to facilitate better supervision, better services to the people, more efficient management of data through reduction in paper work by using modern aids as well as cost and space effective records management.

g) ***Complex and Obsolete Laws***

Many existing laws are obsolete and redundant.²¹ People bribe the officials to overcome these administrative hurdles. This is more so in departments like Revenue, Education and other urban local bodies, which could be minimised by streamlining the administration with clearcut set of procedures and effective communication.

h) ***Strengthening of Central Vigilance Commission***

CVC should be given a statutory status.²² This would ensure its independence from executive and make it immune from unnecessary political interference.

The proposed task is not an impossible one, but it does need for its consummation a very determined political will at the top.

Corruption, however, is a multifaceted and complex phenomenon; interventions on many fronts and the collaborative efforts of many people are required to control it. Four action areas as the essential building blocks for a national agenda for corruption control.²³

- a) Reform of the political process;
- b) Restructuring and reorienting the government machinery;
- c) Empowerment of citizens; and
- d) Creating sustained public pressure for change.

Besides national efforts international endeavour is also quite necessary to curb corruption successfully. As the nation-states are getting integrated at a global level with increase interaction and complementarity the scope for corruption is wide open. It demands co-ordinated efforts among international actors to check upon trans-border corrupt practices.

Corruption is a global phenomenon. It is not confined to dictatorship or impoverished societies or capitalist countries alone. Corruption appears to be a regular, repetitive, integral part of the organisational society and the Modern Bureaucratic State, common to all political systems.²⁴ It is endemic, chronic and pervasive, a universal and enduring problem. Moves in regard to the strategies to combat corruption through out the world are afoot.

The early 1990s witnessed a proliferation of initiatives aimed at fighting corruption – on the national, regional and international levels.²⁵ Fighting corruption has an unusually high degree of international co-operation, leading to an armoury of international instruments, such as the OECD's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or indeed, the Council of Europe's Criminal Law Convention on Corruption. The reason the international community has mobilised to fight the problem is simple: corruption respects no borders, knows no economic distinctions and infects all forms of government. In the long run, no country can afford the social, political or economic costs that corruption entails. It erodes public confidence in political institutions and leads to contempt for the rule of law: it distorts the allocation of resources and undermines competition in the market place: it has a devastating effect on investment, growth and development. Further more, corruption exact an inordinately high price on the poor by denying them access to vital basis services.²⁶

The Comprehensive Development Framework proposed by World Bank²⁷ could become an important catalyst for change. We are prepared to support governments wanting to adopt it.

Corruption is a major obstacle to development whether we speak of greed-based corruption by the élites or need-based corruption among the low-wage employees. Corruption undermines democracy and destroys the credibility of government. Corruption is stealing from the poor.

The battle against corruption must be fought in all countries. We are determined to support the efforts of our partner countries and to continue the open and direct dialogue we have with many of them. We will support public sector reform and help strengthen control systems.

It would be appropriate at this point to invite attention to the following wellmeant warning administered in 1994 by the then British Minister for Overseas Development, Baroness Chalker.²⁸

Where a government wants aid to help with a transformation to democracy, to strengthen its institutions, to weed out corruption and incompetence, we will give it. But where a government turns its back on democracy, ignores accountability, flouts human rights and allows corruption to flourish, our aid will be of a humanitarian nature to help people in real need. No taxpayer in any donor country should be asked to contribute to the Swiss Bank accounts of corrupt Third World Politicians.

A reform of this kind at the initiative of the developed countries would be of the greatest benefit to the billions of people in the developing world.

Let us now turn to several other initiatives that have been taken in recent years at the international level to combat the evil of corruption.

The fight against bribery is no easy affair. True, an important milestone was passed when the Organisation for Economic Cooperation and Development

(OECD) Convention²⁹ outlawing the offer, promise or giving of bribes to foreign public official entered into force in February 1999. A key element in an effective anti-corruption campaign is the sharing of information and experience on initiatives taken by countries, international organisations and civil society. With this in mind, the OECD's Anti-corruption Unit has launched an extensive information centre on the web that includes regional networks. Participating countries and international organisations continuously supply the regional webs with relevant information on country specific anti-corruption initiatives, survey results, research reports and other relevant anti-corruption information, including technical assistance programmes. These regional webs are part of one of the largest information centres on corruption and bribery on the web called the Anti-Corruption Ring Online or AnCorR Web, it is a repository of more than 3,000 references to books, journals, papers and other articles, as well as downloadable or online anti-corruption documentation, such as laws, international conventions, anti-corruption information. It also helps donors to identify the current situation in most regions of the world and to provide them with a real-time working tool to co-ordinate their assistance programmes.

A cornerstone of the OECD's anti-corruption programme is the work it performs through SIGMA³⁰ — Support for Improvement in Governance and Management in Central and Eastern European countries. This is a joint initiative which is principally funded by the European Union's Phare Programme. The initiative supports public administration reform efforts and advice on building modern, accountable, solid and transparent systems of administration in thirteen

countries in transition. SIGMA counsels officials in areas like financial control, budgeting and public procurement.

Clearly, these responsibilities place SIGMA in the forefront of the battle against corruption. SIGMA has also teamed up with transparency International to produce the Anti-Corruption Directory, an in-depth reference guide to the multinational programmes, institutions and personalities supporting anti-corruption efforts in Central and Eastern European countries.

This showed the determination and the urgency with which OECD governments wanted to deal with the evil of corruption in international business transactions. This convention is a very major step for combating corruption in international business transactions and deserves to be adopted and implemented statutorily by all countries of the world and not just by OECD Member States.

The problem of corruption in governance and in business was considered in detail at the Summit of the Americas in December, 1994,³¹ when the following declaration was adopted affirming the commitment of member States to combating corruption in all aspects of public life and inviting them to co-operate with OECD governments in fighting bribery in International business transactions.

The declaration of principles agreed by the Heads of State and Government of the Americas included the following statement:

'Effective democracy requires a comprehensive attack on corruption as a factor of social disintegration and distortion of the economic system that undermines the legitimacy of political institutions.'

The Heads of State and Government also affirmed their commitment to a plan of action, which included the following:

Combating Corruption

The problem of corruption is now an issue of serious interest not only in this hemisphere, but in all regions of the world. Corruption in both the public and private sectors weakens democracy and undermines the legitimacy of governments and institutions. The modernisation of the state, including deregulation, privatisation and the simplification of government procedures, reduces the opportunities for corruption. All aspect of public administration in a democracy must be transparent and open to public scrutiny.

In September 1998, Transparency International (TI)³² published the most comprehensive index to date on perceptions of corruption in eighty-five countries world wide. India is placed at serial No.66. Since its inception in 1995, the Corruption Perception Index (CPI) has encouraged debate and provided the basis for substantive anti corruption reforms in a number of countries.

Transparency International focuses on corruption in the public sector and defines corruption as the abuse of public office for private gain. It is this misuse

of public power for private profit that Transparency International's corruption index seeks to flush out.

The CPI ranks countries in terms of the degree to which corruption is perceived to exist among their public officials and politicians. The 1999 index ranks 99 countries, drawing on 17 different surveys from 10 independent institutions carried out among business people, the general public and country analysts.

There is no denying that the corruption index has been important in raising a broad public awareness of corruption. According to its authors, it has even prompted reforms in some cases.

A new ranking added by Transparency International in 1999 to measure the propensity to pay bribes among leading exporting countries. Called the Bribe Payers Index (BPI),³³ Transparency describes it as a logical response to the 1999 OECD convention, under which most of the leading industrial countries are committed to taking action to stop transnational corporations in their countries from paying bribes abroad. According to transparency, the new bribery index aims to bring public attention to the need for full implementation and enforcement of the Convention, as well as offering one possible way of evaluating the Convention's success.

Another innovation of Transparency International in 1999 was to publish perceptions of bribery in business sectors. Banking and finance, interestingly enough, were perceived to have relatively low corruption levels.

IMPLEMENTATION

Having outlined a comprehensive programme of reforms that are being undertaken and should be carried out to tackle corruption, we move on to discuss an element of crucial importance in reducing it i.e implementation.

It is in effective implementation of measures that the key to combating corruption lies. But this is easier said than done.

Lack of effective implementation can be traced to two factors:

1. One relates to inadequacy or malfunctioning of instruments / measures set up to tackle corruption. Currently there are many loop-holes in laws which needs to be plugged.³⁴

For example,

- (a) Provision for forfeiture of benami property of a public servant under the Prevention of Corruption Act needs to be added:
- (b) Making advice of CVC / CBI State Vigilance Commission binding for time bound automatic sanction under section 197 of the Cr. P.C.; and

- (c) To break the nexus between corrupt officers and state politicians, government of India sanction to be made necessary for closing a case against an All India Service Officers, as is the requirement for sanctioning prosecution.

Although political leadership, in general, favoured institutions like Lokayukta to control corruption, yet the genuineness of their feeling in this regard was hardly reflected in their behaviours. This is one of the reasons why similar institutions could not be established at the national level, in spite of several efforts in the last three decades. Since political corruption is the fountainhead of administrative corruption, corruption cannot be minimised unless political actions receive the same scrutiny as administrative actions.³⁵ Simultaneous action is required for cleansing of public services at all levels. There is no dearth of laws and rules in this regard. What is required is their strict enforcement and the political will to cleanse the administrative apparatus through prevention, surveillance and exemplary deterrent action.

The root of the matter lies in failure to take courageous action: failure to curb the black economy by bold action (rather than legitimise its fruits periodically); failure to break the nexus between electoral politics and those who have the economic resources, in most cases acquired by dishonest means; failure to observe the Code of Conduct for Ministers (which could have been embodied in law to avoid infringements); and failure to pass legislation to establish the institution of Lokpal.³⁶ Many of the major recommendations of the various

committees and commissions, set up by the Central and the State Governments, have not been acted upon; and the healthy processes set in motion during the sixties have been allowed, in recent years, to peter out, when with corruption and various kinds of abuses increasing alarmingly, they should have been pushed with greater vigour. Behind all this story of inaction lies a general infirmity of the political will - an infirmity caused at least partly by an unenlightened self-interest.

A vigilant and assertive public opinion could have countered this. Therefore, the citizens should come forward to eradicate corruption with determination. They should realise that they are entitled to the services as a matter of right from the government and enterprises. A consistent and orchestrated campaign should be pursued by social reformers for educating the people, especially the youth, against corruption at all levels.³⁷ Citizen groups should be formed to tackle corruption in local areas on specific issues. Unless public action and co-operation are forthcoming, it will be very difficult to eliminate the menace of corruption.

Long ago Mahatma Gandhi wrote in Harijan on 24 Sept. 1934.³⁸

Corruption will go when the large number of persons given to the unworthy practice realise that the nation does not exist for them, but they for the nation. It requires a high code of morale, extreme vigilance on the part of those who are free from corrupt practice and who have influence over corrupt servants. Indifference in such matters is criminal.

The Mahatma advised that 'sleepless vigilance' on the part of citizens was the only and most effective course of action to fight corruption.

Notes and References

1. Irene Hors, 'Fighting Corruption in the developing countries', *OECD Observer* (220), April 2000, p.43.
2. Enery Quinones, 'What is Corruption?', *OECD Observer* (220), April 2000, p.24.
3. *Ibid.*, p.25.
4. Subash C. Kashyap, *Eradication of Corruption and Restoration of Values*, Sterling Publishers Pvt. Ltd., New Delhi, 2001, p.200.
5. C.N. Shukla, 'A Vision for the Future: A proposed action plan to save the nation', *Indian Journal of Public Administration*, Vol.XLIII, 1997, p.805.
6. Madhav Godbole, 'Bureaucracy at Cross-roads', *Indian Journal of Public Administration*, April-June 2000, p.564.
7. 'Action Plan for an effective and responsive government', *Indian Journal of Public Administration*, vol.44, 1998, p.629.
8. S.S. Singh, 'In Search of Ombudsman - A comment on Lokpal Bill,' *Indian Journal of Public Administration*, Vol.XLIII, 1996, p.179.
9. Jon S.T. Quah, 'Bureaucratic Corruption in the ASEAN Countries: A Comparative Analysis of their Anti-Corruption Strategies', *Journal of South East Asian Studies*, pp.174-175.
10. Satyapal Dang, 'Politicians and Corruption', *Mainstream*, February 14, 1998, p.12.
11. Subhash C. Kashyap, *Eradication of Corruption and Restoration of Values*, Sterling Publishers Pvt. Ltd., New Delhi, 2001, p.201.
12. *Ibid.*, p.119.
13. Ministry of Law (1988), *Prevention of Corruption Act*, 1988, New Delhi, p.465.

14. 'Electoral Reforms: Comprehensive Proposals of Election Commission' in *Elections in India-Major Events and New Initiatives 1996-2000*, Publication Division, ECI, 2000.
15. Subhash C. Kashyap, *op.cit.*, p.203.
16. *Report of the Fifth Pay Commission*, Ministry of Finance, Government of India, New Delhi, January, 1997, p.151.
17. Vivek, K. Agnihotri, 'Government of India's Measures for Administrative Reforms', Vinod Mehta (ed.), *Reforming Administration in India*, ICSSR, Har-Anand, Publications Private Limited, 2000, p.126.
18. *Ibid.*, p.125.
19. 'Action Plan for an effective and responsive government', *Indian Journal of Public Administration*, vol.44, 1998, p.627.
20. Vinod Mehta, *op.cit.*, p.127.
21. 'Action Plan for an effective and responsive government,' *Indian Journal of Public Administration*, vol.44, 1998, p.632.
22. P.K. Gopinath, 'Central Vigilance Commission: A Profile', *Indian Journal of Public Administration*, Vol.XLIII, 1997, p.421.
23. Samuel Paul, 'Corruption in India', A Strategic Agenda for Action', S. Guhan and Samuel Paul (eds.), *Corruption in India - Agenda for Action*, Vision Books, 1997, p.288.
24. Irene Hors, *op.cit.*, p.44.
25. Enery Quinones, 'What is Corruption?' *OECD Observer* (220), April 2000, p.23.
26. *Ibid.*, p.24.
27. C.P. Srivastava, *Corruption - India's Enemy Within*, MacMillan India Ltd., 2000, p.20.
28. Moody-Stuart George, *Grand Corruption*, Worldview Publishing, Oxford, UK, 1997.

29. Wehrle Frederic, *Enforcing the Convention*, OECD Observer (220), April 2000, p.31,32.
30. Bertok Janós, *Getting the Public ethics right*, OECD Observer (220), April 2000, p.42.
31. C.P. Srivastava, *op.cit.*, p.208.
32. 'Transparency International: A Perception', *OECD Observer* (220), April 2000, p.33.
33. 'Transparent tables', *OECD Observer* (220), April 2000, p.34.
- ~~34.~~ S.N. Shukla, 'A Vision for the future: A proposed action plan to save the nation', *Indian Journal of Public Administration*, Vol.XLIII, 1997, p.805.
- ~~35.~~ *Ibid.*, p.806.
- ~~36.~~ L.P. Singh, 'Morality in Public Affairs', Arora, Ramesh K. (eds.) *Indian Administration-Perceptions and Perspectives*, Aalekh Publishers, New Delhi, 2000, p.278.
37. S. Guhan and Paul Samuel, *op.cit.*, p.284.
- ~~38.~~ N.K. Singh, *The Politics of Crime and Corruption*, Harper Collins Publishers, India, 1999, p.269.

CONCLUSION

Having traversed through the anatomy of corruption, i.e. beginning with its nature, forms and manifestations to a discussion of its causes and far reaching damaging consequences and then on to remedial measures that have been undertaken (through Commissions, Committees and Laws) and those that need to be undertaken (political, individual, economic reforms), we now arrive at a stage where the task appears to be complete.

As a result, we now conclude with, a list of measures of administrative reforms that are perceived to be really crucial in controlling / eradicating corruption. At this stage, no comprehensive scheme of reform is discussed. Rather few specific measures are offered, which if embarked on, can mark the beginning of a long term process of change in the direction of amelioration of corruption, in the administrative sector.

A certain sequence of priorities in the administrative change is required. Firstly, a need to discard the old traditional habits which inhibit the path of progress. Among such habits are the penchant for an hierarchical method of organisation; the tendency to erode the administrative autonomy of statutory institutions; the element of strong security in government employment which generates the feeling that "good work is not rewarded and bad work is not punished", the system of promotions based on seniority and length of service, "the

attachment to judicial forms and procedures; the tendency to look to government for solutions to every problem; and the belief that legislation is the same thing as action."

Secondly, there is the need to inculcate certain 'values' amongst the administrators. There is a general feeling that the failures of administration are due to the lack of civil servants' values which have been carried over from the colonial past. Today's civil servants are said to have the same 'exclusiveness' lack of concern for public good, his own orientation as against the national goals, as he had in the British days. Such patterns of behaviour have been the invariable conclusions of many studies conducted in this respect, and are reflected in such symbols of elitism as "expensive offices, air-conditioners, exclusive means of transportation and the traditions of authority and power." Today, if our administration has to justify itself, it is because of a lack of rapport between the decision-making functionaries and the people for whom the decisions are made. The administration is not a self contained and self-regulating mechanism but an instrument for the furtherance of specific social interests, and therefore, intimately concerned with the world at large and its problems. There is definitely a need for the simplicity, accessibility and rapport of the administrators with the public at large and the narrowing of gap between the world of the administrators, the workers and the citizens. The behaviour of the top leadership in setting an example of such values would have far-reaching impact on the administrators at the lower levels.

Thirdly, there is the whole problem of the creation of right type of attitudes amongst the administrators. Until now the prevailing attitude in the minds of the civil servants and the politicians alike from top to the bottom is that of making favours to citizens rather than to render service. At each level of administrative organisations, this is fairly evident. In the context of the 'control'-system as operating in India, such an attitude has brought the entire system to a halt. This type of attitude amongst the civil servants has to be somehow mitigated. This is certainly a challenging problem which cannot be solved with one stroke. Old habits and attitude die hard. The beginnings would have to be made right from the younger generations with simultaneous efforts to eradicate it amongst the old by revoking the penalty of compulsory retirement if performance is found unsatisfactory.

Fourthly, transparency in administration by making information about administrative decisions available to the citizens. Information act should be passed by parliament to ensure this. Administration should be open and accessible.

Finally, the administrative institutions that are presently functioning have to be revamped so as to enable them to contribute their maximum to the national goals and development. These have to be moulded in the cast of an 'open' system with a high degree of inter-departmental cooperation and flexibility. The excessive secrecy of administrative process is to be given up. The decision-making and policy-formulation procedures would have to be streamlined to give

maximum response to the needs and aspirations of a pluralistic society. Under the impact of the developmental philosophy and under the stress of conditions in which we are living, it is even more necessary today than ever before that public cooperation should be obtained to the fullest extent possible in trying to achieve the administrative goals.

The above priorities in the strategy for administrative reforms presuppose the necessary political will — and indeed an inflexible determination on the part of both the politicians as well as the administrators to do the right thing and "to cut through the gordian knot and snarls and vested interests which are well-entrenched within the administrative status-quo". Unless, we have a complete unity of thought and purpose in the entire fabric of our administration — whether it is at the ministerial level or at the bureaucratic level, whether it is at the higher echelons of administration or at the lower wings — we shall not be able to solve the tremendous problems that face our nation.

There is no doubt the quality of governance will improve significantly as a result of administrative reforms. Corruption, however, is a multifaceted and complex phenomena, interventions on many fronts and the collaborative efforts of many people shall be required to control it effectively and move in the direction of a relatively corruption free administration and society.

BIBLIOGRAPHY

PRIMARY SOURCES

- Government of India, Appleby Paul H., Public Administration in India, Report of a Survey, New Delhi, 1953.
- Government of India, Ministry of Railways, Report of the Railway Corruption Enquiry Committee, 1953-55.
- Government of India, Appleby, Paul H., Reorganisation of India's Administrative System, New Delhi, 1956.
- Government of India, Gorwala, A.D., Report on Public Administration, Planning Commission, 1951.
- Government of India, Ministry of Railways, Report of the Railway Corruption Enquiry Committee (1953-55), p.83.
- Government of India, Ministry of Law, Prevention of Corruption Act 1947, New Delhi.
- Government of India, Ministry of Home Affairs, Report of Special Police Establishment Enquiry Committee (1949-1952), New Delhi, 1952, p.12.
- Government of India, Ministry of Finance, Report of the Second Pay Commission, New Delhi, 1959.
- Government of India, Ministry of Home Affairs, Report of the Committee on the Prevention of Corruption (Santhanam Committee), New Delhi, 1964.
- Government of India, Ministry of Home Affairs, Department of Administrative Reforms, Report of the Department of Administrative Reforms, Manager of Publications, New Delhi, 1966.
- Government of India, Ministry of Finance, Report of the Fifth Pay Commission, New Delhi, 1997.

Government of India, Ministry of Home Affairs, Department of Personnel and Administrative Reforms, Report on Personnel Administration, New Delhi, 1970-71.

Government of India, Ministry of Finance, Report of the Third Pay Commission, New Delhi, 1973.

Government of India, Ministry of Law, Prevention of Corruption Act, New Delhi, 1988.

Government of India, Ministry of Home Affairs, Vohra Committee Report, 1995.

SECONDARY SOURCES

Books

Alatas, S.H., *The Sociology of Corruption: The Nature, Functions, Causes and Prevention of Corruption*, Singapore: Times Books, 1980.

Arora, Ramesh K., *Indian Administration - Perceptions and Perspectives*, Jaipur: Aalekh Publishers, 2000.

Bhargava, G.S. and Dwivedy, Surendranath (ed.), *Political Corruption in India*, India: Published by Popular Book Services, 1967.

Carino (ed.) *Bureaucratic Corruption in Asia: Causes Consequences and Controls*, Quezon City: JMC Press, 1986.

Chitkara, M.G., *Corruption 'N' Cure*, Delhi: A.P.H. Publishing Corporation, 1996.

Clarke, M. (ed.) *Corruption: Causes, Consequences and Control*, New York: St. Martins Press, 1983.

Das, S.K., *Public Office, Private Interest - Bureaucracy and Corruption in India*, New Delhi: Oxford University Press, 2001.

Gill, S.S., *The Pathology of Corruption*, New Delhi: Harper Collins Publishers, 1998.

- Godbole, Madhav, 'Corruption, Political Interference and the Civil Service' in Guhan, S. and Paul, Samuel (eds.), *Corruption in India-Agenda for Action*, New Delhi: Vision Books (P) Ltd., 1997.
- Halayya, M., *Corruption in India*, Madras: East-West Press Pvt. Ltd., 1985.
- Heidenheiner, Arnold J., *Political Corruption: Readings in Comparative Analysis*, Holt, New York: Rinehart and Winston Inc., 1970.
- Jain, R.B., *Contemporary Issues in Indian Administration*, Delhi: Vishal Publications, 1976.
- Kashyap, Subhash C. (ed.), *Crime and Corruption to Good Governance*, New Delhi: Uppal Publishing House, 1996.
- Klitgaard, R., *Controlling Corruption*, Berkeley: University of California Press, 1991.
- Kohli, Suresh (ed.) *Corruption in India*, New Delhi: Chetana Publications, 1975.
- L.N. Rangarajan (ed.), *Kautilya – the Arthashastra*, New Delhi: Penguin Books India Private Limited, 1992.
- Maheshwari, Shriram, *Indian Administration*, New Delhi: Orient Longman Ltd., 1968.
- Maheshwari, S., *Indian Administrative System*, New Delhi: Jawahar Publishers and Distributors, 1994.
- Maheshwari, S.R., *Administrative Reform in India*, New Delhi: Jawahar Publishers and Distributors, 1993.
- Mansukhani, H.L., *Corruption and Public Servants*, New Delhi: Vikas Publishing House Pvt. Ltd., 1979.
- Mishra, B.B., *Government and Bureaucracy in India 1947-1976*, New Delhi: Oxford University Press, 1986.
- Mitra, Chandan, *The Corrupt Society*, New Delhi: Penguin Books India Private Ltd., 1998.

- Monterio, J.B., *Corruption: Control of Maladministration*, Bombay: Manaktalas, 1966.
- Moody-Stuart, George, *Grand Corruption*, Oxford: Worldview Publishing, 1997.
- Narayanaswamy, N., Boraian, M.P., Jeyaraju, M.A., *Corruption at the Grassroots: The Shades and Shadows*", New Delhi: Concept Publishing Company, 2000.
- Nath, Trilok, *Indian Police Administration*, New Delhi: Sterling Publishers Private Limited, 1983.
- Padhy, Krushna Singh, *Corruption in Politics*, Delhi: B.R. Publishing Corporation, 1986.
- Panda, Basudev, *Indian Bureaucracy*, New Delhi: Uppal Publishing House, 1978.
- Pavarala, Vinod, *Interpreting Corruption: Elite Perspectives in India*, New Delhi: Sage Publication, 1996.
- Prashar, Rajinder, *Police Administration*, New Delhi: Deep and Deep Publications, 1986.
- Ray, Saymal Kumar, *Indian Bureaucracy at the Crossroads*, New Delhi: Sterling Publishers Private Limited, 1978.
- Shah, M.P., *Crime and Corruption in the Digital Age*, Delhi: Authors Press, 2000.
- Sharma, Premlata, *Issues in Indian Administration*, New Delhi: Mangal Deep Publications, 1998.
- Singh, N.K., *The Politics of Crime and Corruption*, India: Harper Collins Publishers, 1999.
- Singh, Naunihal, *The World of Bribery and Corruption*, New Delhi: Mittal Publication, 1999.
- Singh, L.P., *Electoral Reform*, New Delhi: Uppal Publishing House, 1986.
- Srivastava, C.P., *Corruption India's Enemy Within*, New Delhi: Macmillan India Ltd., 2001.

Thakur, Upendra, *Corruption in Ancient India*, New Delhi: Abhinav Publications, 1979.

Transparency International (TI), *National Integrity Systems: The TI Source Book*, Germany: TI Berlin, 1996.

Venkatachalam, D., *Bureaucracy - An Evaluation and a Scheme of Accountability*, New Delhi: A.P.H. Publishing Corporation, 1998.

Vishwanathan, Shiv and Sethi, Harsh (eds.), *Chronicles of Corruption-Foul Play*, India: A Seminar-Business Publication, 1998.

Vittal, N. and Mahalingam, S. (eds.) *Fighting Corruption and Restructuring Government*, New Delhi: Manas Publications, 2000.

Articles

"Action Plan for Effective and Responsive Government", *Indian Journal of Public Administration*, Vol.44, 1998, pp.627-633.

Agarwal, U.C., "Galloping Corruption: Need for Effective Vigilance", *Indian Journal of Public Administration*, July-September 1996, pp.174-180.

Agarwal, U.C., "Politics of Crime, Corruption and Waste Caste and Creed", *The Indian Journal of Public Administration*, Vol.44, No.3, pp.462-471.

Agarwal, U.C., Galloping Corruption: Need for effective vigilance, *Indian Journal of Public Administration*, Vol.XLIII, 1997, pp.434-440.

Agarwal, U.C., "Good Governance: Cutting edge of administration", *Indian Journal of Public Administration*, 44(3), July-September 1998, pp.428-438.

Basu, Kaushik, "Notes on bribery and the Control of Corruption", *A Journal of Public Economics* 48(3), August 92, pp.349-60.

Bhandari, Kusum Lata, "Elections and Electoral Reforms in India", *Indian Journal of Public Administration*, Vol.XXXVII, July-September, 1991, pp.331-335.

Bhattacharya, Mohit, "Public Administration today and tomorrow", *Indian Journal of Public Administration*, (Special Number) 43(3), 1997, pp.323-330.

- Brunetti, A. and B. Weder, "Investment and Institutional Uncertainty: A Comparative Study of Different Uncertainty Measures", *Weltwirtschaftliches Archiv*, CXXXIV, 1998, 513-533.
- Caiden, G.E., "Toward a General Theory of Official Corruption", *Asian Journal of Public Administration*, 10 CD, 1988.
- Chaturvedi, S.K., "Electoral Reforms: An Agenda", *Indian Journal of Public Administration*, Vol.XXXVII, July-September, 1991, pp.324-331.
- "Civil Service reform and world Bank", *Indian Journal of Public Administration*, 44(3) July-September, 1998, pp.722-723.
- Dasgupta, Gurudas, "Corruption, Criminalisation and Politics", *Mainstream* 34(45); 12 October, 1996, pp.4-6.
- Dubhashi, P.R., "Restructuring and reforming of Indian political, administrative and economic system", *Indian Journal of Public Administration*, (Special Number) 43(3), July-September 1997, pp.362-368.
- Dwivedi, O.P., "Bureaucratic Corruption in Developing Countries", *Asian Survey*, April 1967, p.245.
- Evans, P.B. and J.E. Rauch, "Bureaucratic Structures and Economic Performance in Less Developed Countries", *Mimeograph US San Diego*, 1996.
- Galtung, F., "The Social and Economic Implications of Corruption"; *Transparency International (TI) Report 1997*, (Berlin: Transparency International), 1997, 76-78.
- Godbole, Madhav, "Bureaucracy at Cross-roads", *Indian Journal of Public Administration*, Vol, XLIII, 1997, pp.560-566.
- Gopinath, P.K., "Central Vigilance Commission: A profile", *Indian Journal of Public Administration*, Vol, XLIII, 1997, pp.421-433.
- "Guiding principles on civil service reform", *Indian Journal of Public Administration*, 44(3) July-September 1998, pp.707-713.
- Hantal, Bhimsen, "Corruption and Social Development in India", *Radical Humanist* 60(3), June 96, pp.21-26.

- Hines, J.R., "Forbidden Payment: Foreign Bribery and American Business after 1977", *National Bureau of Economic Research Working Paper*, No.5266, Cambridge MA, 1995.
- Hors, Irene, "Fighting Corruption in the developing countries", *OECD Observer* (220), April 2000, p.43.
- Husted, B., "Wealth, Culture, and Corruption", *Journal of International Business Studies*, XXX (2), 1999, pp.339-360.
- Huther, J. and Shah, A., "A Simple Measure of Good Governance and its Application to the Debate on the Appropriate Level of Fiscal Decentralization," *World Bank Working Paper Series*, No.1894, Washington D.C., 1998.
- Kaufmann, D. and S.-J. Wei, "Does 'Grease Money' Speed up the Wheels of Commerce?" *National Bureau of Economic Research Working Paper* 7093, Cambridge MA, 1999.
- Lambsdorff, J. Graf, "The Impact of Corruption on Capital Productivity, *Unpublished Manuscript*, Gottingen University, 1999.
- Lambsdorff, J. Graf, "The Transparency International Corruption Perceptions Index. 1. edition 1995" *Transparency International (TI) Report* 1996, 51-53, "2. edition 1996", *Transparency International (TI) Report* 1997, 61-66. "3. Edition 1997", *Transparency International (TI) Newsletter*, September 1997. "4. Edition", September 1998. "5. edition", October 1999.
- LaPalombara, J., "Structural and Institutional Aspects of Corruption", *Social Research*, LXI, 1994, 325-350.
- LaPorta, R., F. Lopez-De-Silanes, A. Shleifer and R.W. Vishny, "The Quality of Government", *The Journal of Law, Economics and Organization*, XV(1), 1999, 222-279.
- Leff, N.H., "Economic Development through Bureaucratic Corruption", *The American Behavioural Scientist*, Vol.8, November 1984, p.8.
- Mauro, P., "The Effects of Corruption on Growth, Investment and Government Expenditure: A Cross-Country Analysis", *Corruption and the Global*

Economy, (Washington D.C.: Institute for International Economics), 1997, 83-107.

Maheshwari, Shriram, "Political Reforms for True Governance", *Indian Journal of Public Administration*, Vol.XLIV, July-September, 1998, pp.307-317.

Mathur, Kuldeep, "Bureaucracy in India: Development and Pursuit of Self-Interest", *Indian Journal of Public Administration*, Vol.XXXVII, October-December, 1991, No.4, pp.637-648.

Narayan, Jaya Prakash, "Judicial Reforms-Need of the Hour", *Indian Journal of Public Administration*, Vol.XLV, July-September, 1999, pp.423-430.

Paul, Samuel, "Corruption: Who will bell the Cat?" *Economic and Political Weekly* 32(23); 7-13 June 1997, pp.1350-1355.

Pinto, Ambrose, "Institutionalised Corruption", *Economic and Political Weekly*, 29 August 1992, pp.1837-1838.

Quah, Jon S.T., "Corruption in Asia with Special Reference to Singapore: Pattern and Consequences", *Asian Journal of Public Administration*, 1988.

Quah, Jon S.T., "Bureaucratic Corruption in the ASEAN Corruption Strategies", *Asian Journal of Public Administration*, 1989.

Quinones, Eney, "What is Corruption?" *OECD Observer* (220), April 2000, p.24.

Ralph Braibanti, "Reflection on Bureaucratic Corruption", *Journal of the Royal Institute of Public Administration*, Vol.40, 1962, pp.357-372.

Reddy, B. Ratan, "Code of Conduct and Ethics for Civil Servants in India and United Kingdom", *Indian Journal of Public Administration*, Vol.XLV, January-March, 1999, pp.17-26.

Rose-Ackerman, S., *Corruption and Government. Causes, Consequences and Reform* (Cambridge: Cambridge University Press), 1999.

Sachar, Rajinder, "Judicial Reforms in India: Some Aspects", *Indian Journal of Public Administration*, Vol.XLV, July-September, 1999, pp.472-478.

Sangita, S.N., "Reforms for effective and responsive administration in Karnataka", *IDSA Journal*, 8(2-4), April 1998, pp.119-147.

Shukla, S.N., "A Vision for the Future: A proposed action plan to save the nation", *Indian Journal of Public Administration*, Vol, XLIII, 1997, pp.804-810.

Singh, Narendra Kumar, "Bureaucracy and Corruption", *Administrative Change*, 2(1): June 1974, pp.34-37.

Singh, Shekhar, "Ethics and administration", *Indian Journal of Public Administration*, (Special Number) 43(3), July-September 1997, pp.331-334.

Singh, S.S., "In search of ombudsman - a Comment on Lokpal Bill", *Indian Journal of Public Administration*, Vol, XLIII, 1996, pp.173-180.

Sundaram, P.S.A., "Recent initiatives for active reform in India", *Indian Journal of Public Administration*, Vol.XLIII, 1996, pp.553-559.

Swamy, A., St. Knack, Y. Lee and O. Azfar, "Gender and Corruption", *Draft Paper, IRIS Center, University of Maryland*, July, 1999.

Treisman, D., "The Causes of Corruption: A Cross-National Study," *Unpublished Manuscript*, University of California, Los Angeles, June, 1999.

Treisman, "Decentralization and Corruption: Why are Federal States Perceived to be More Corrupt", *Paper prepared for the presentation at the Annual Meeting of the American Political Science Association*, Atlanta, September 1999, University of California, Los Angeles, August.

Newspapers

Frontline, 3 April 1999.

The Times of India, 6 January 2001.

The Hindu, 3 March, 2000.

The Hindustan Times, 22 May, 2001.