

An Overview of Corruption in Indian Society

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Introduction: Corruption is a type of strategic action. Two or more people undertake an exchange relation by way of a successful transfer of money or power which sidesteps legality or morality to regulate the relation. India is the 84th most corrupted country in the world.

Corruption in India is a major concern for the country. It also plays as a barrier in development of the country and its people, 75% of the people experience 1st hand corruption. India is ranked 85 out of 179 countries in transparency International's Corruption Perceptions Index, although its score has improved consistently from 2.7 in 2002 to 3.4 in 2008. India also tops the list in black money in the whole world Corruption undermines economic development by generating considerable distortions and inefficiency. In the private sector corruption increases the cost of business through the price of illicit payments themselves, the management cost of negotiating with officials, and the risk of breached agreements or detection.

A 2005 study done by Transparency International (TI) in India found that more than 50 per cent of the people had first-hand experience of paying bribe or peddling influence to get a job done in a public office. Taxes and bribes are common between state borders; Transparency International estimates that truckers pay annually \$5 billion in bribes. Officials often steal state property. In Bihar, more than 80 per cent of the subsidized food aid to poor is stolen.

Corruption is widespread in India. Corruption can be seen everywhere in government offices, Private sector, politics, media, judiciary, police, religious institutions, Educational Institution. The major scams in India are Satyam Scam, IPL Scam, Telgi Scam, Common Wealth Games Scam, 2G Spectrum Scam.

Major Areas of Corruption and its impact:

Corruption in Government Offices

In cities and villages throughout India, "mafia raj" consisting of municipal and other government officials, elected politicians, judicial officers, real estate developers and law enforcement officials, acquire, develop and sell land in illegal ways. Many state-funded construction activities in India, such as road building, are dominated by construction mafia, which are groupings of corrupt public works officials, materials suppliers, politicians and construction contractors. Shoddy construction and material

Substitution (e.g. mixing sand in cement while submitting expenses for cement) result in roads and highways being dangerous. Civil servants /public officials were rated by 13 of respondents as the second most corrupt institution in the country. Other institutions that were polled included Parliament/ legislature, the private sector, media and the judiciary. The Barometer, now in its sixth edition, surveyed 73,132 people in 69 countries including 12 countries from Asia Pacific. In India, the survey was conducted in five metros – Delhi, Mumbai, Kolkata, Chennai and Bangalore.

Corruption in Politics: Political parties are perceived to be the most corrupt institutions by Indians, according to 2009 Global Corruption Barometer. The Barometer, a global public opinion survey released by Transparency International, found that 58 per cent Indian respondents identified politicians to be the single most corrupt individuals. Forty-Five per cent of the people sampled felt that the government is ineffective in addressing corruption in the country. The survey in India, conducted at the national level between October and November also indicated that the perception of government effectiveness in relation to addressing corruption had improved from earlier. Forty-two per cent respondents analyzed that government's actions in the fight against corruption was effective.

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

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

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

Corruption in Police: Despite state prohibition against torture and custodial misconduct by the police, torture is widespread in police custody, which is a major reason behind deaths in custody. The police often torture innocent people until a “confession” is obtained to save influential and wealthy offenders. G.P. Joshi, the programme coordinator of the Indian branch of the Commonwealth Human Rights Initiative in New Delhi comments that the main issue at hand concerning police violence is the lack of accountability on the part of the police.

Corruption and Economic Growth: The world would be a better place without corruption and it does impose a cost on the economy. But the contention, that it is our biggest problem and we need to eliminate it before meaningful change can occur, is not supported by evidence. We need to look beyond the simple answer to figure out what else is holding back economic growth in our

country. Just as there are people who believe that overpopulation is our biggest problem, there are others who attribute most of our difficulties to corruption. There is no doubt that corruption is a pervasive and aggravating phenomenon but even a cursory comparative analysis should make one skeptical of the assertion that it is a major cause of our underdevelopment. The issue of corruption is very high on the political agenda of the Chinese government. But despite corruption the economy has expanded continuously over the past fifteen years at historically unprecedented rates of growth. Today China is being spoken of as a major economic power of the future. The concern with corruption stems less from its impact on growth and more from the social discontent it causes and which negatively impacts the credibility of the government. Indonesia is another country where considerable economic development occurred despite very high levels of corruption that are well documented. The country was very much a part of the East Asian miracle whose momentum was broken by the financial crisis in 1997.

Top Most Corruptions in India

2013 Agusta Westland chopper deal scam: This is one of the most recent of the cases in India, which has shamed the country. The deal amounts to Rs 74.5 crore. According to various reports, the investigation into the Italian firm Finmeccanica, which started more than a year ago, is one of a series of corruption scandals in defence deal-making in India.

2013 Vodafone tax scandal: The scandal involves Rs 11, 000 crore tax dispute. The dispute also names Union Minister Kapil Sibal because of the Law Ministry's U-turn to agree to conciliation in Vodafone tax case.

2013 Saradha Group chit fund scam: Earthed recently, the Saradha Group chit fund scam caused a loss of Rs 20,000 crore to the exchequer. The scam was exposed a few months ago, and involves running ponzi schemes. The scam has also led to many suicides across the State.

2013 Railway promotion scam: Infamously known as Railgate, it involves former Railway Minister Pawan Kumar Bansal and his nephew, Vijay Singla for allegedly accepting a bribe of Rs 90 lakh from a Railway Board member. The central investigative agency, CBI on June 4, questioned the former Railway Minister over his involvement. Kumar, however, has denied his involvement saying Singla acted on his own.

2012 Coal mining controversy: Also called Coalgate is one of the well known scams. The scam, where the UPA Government reported a loss of Rs 185,591 crore. The CAG has accused the Centre of giving undue benefits to companies by distributing 155 coal acres in an arbitrary manner instead of auctioning to the highest bidder during 2004-2009.

2012 Tatra scam: Bharat Earth Movers Ltd in collaboration with Tatra Vectra Motors had produced over 7000 trucks to the Army. When General VK Singh took over as the Army Chief, he refused to authorise the purchase of trucks after he was offered a bribe. The scam was estimated at Rs 750 crore.

2012 Uttar Pradesh NRHM scam: Under Mayawati's regime, this scam caused a loss of Rs 10,000 crore to the State. Politicians and senior bureaucrats are alleged to have siphoned off a massive booty from the National Rural Health Mission (NHRM), a Central Government

programme meant to improve health care services in rural areas. At least five people have been murdered in an attempt to cover up large-scale irregularities. Several former ministers of belonging to Bahujan Samaj Party are being investigated by the CBI. The NRHM scam came into the light after two Chief Medical Officers (CMOs) were murdered in a broad daylight in Lucknow. Dr Vinod Arya was killed in Oct 2010 and another CMO, Dr BP Singh was killed in April 2011. They both were shot dead by motorcycle-riding killers, using the same weapon. Deputy-CMO YS Sachan, who is thought to have had a role in the murders, was arrested, but died mysteriously in jail. Subsequently, three other functionaries who were under investigation have also been murdered or died under suspicious circumstances. In Feb 2012, Prime Minister Manmohan Singh himself accused the Mayawati Government of misusing NRHM funds.

2011 Antrix Devas deal: In 2011, G Madhavan Nair former ISRO chairman and three other scientists were involved in a controversial deal between the Indian Space Research Organisation's (ISRO) commercial arm Antrix Corporation and Devas Multimedia. The deal involved ISRO leasing the S-band transponders on two satellites (GSAT6 and GSAT6A) to Devas for broadcasting purposes. A CAG report found that the department of space hid facts from the Cabinet.

2010 2G spectrum scam: The illegal undercharging by Government officials to various telecom companies during the allocation of 2G licenses for cellphone subscriptions gave rise to the 2G spectrum scam. According to the CAG, the scam amounts to about Rs 176,000 crore, whereas the CBI estimates it at Rs 30,984 crore. Politicians named as accused in the chargesheet filed by the CBI include A Raja and MK Kanimozhi. The trial is being conducted in Special CBI Court. It also involves Nira Radia, a political lobbyist.

2010 CWG scam: The Commonwealth Games is perhaps one of India's most well known scam. Suresh Kalmadi who was the chairman of the Organising Committee of the Commonwealth Games was the main accused. It consisted of a number of corrupt deals involving overstated contracts. Kalmadi also handed out a Rs 141 crore contract to Swiss Timing for its timing equipment; the deal was inflated by Rs 95 crores. Less than 10 days before the games, athletes were told to move into apartments that were shabby and dilapidated. Kalmadi is currently out on bail.

2008 cash-for-votes scandal: It is a scandal, in which the UPA, the majority-holding Parliamentary-party alliance led by Sonia Gandhi, allegedly bribed MPs in order to survive a confidence vote on July 22, 2008. The vote in the Lok Sabha arose after the Communist Party of India (Marxist)-led Left Front withdrew support from the Government, who wanted to pursue an Indo-US nuclear deal.

2001 Stock Market Scam: Stock market king, Ketan Parekh used UTI, Calcutta Stock Exchange and his own index K-10 to swindle investors. When the scam was unearthed, it was reported that he had wiped off over Rs.1 lakh crore of investor's market capital.

2002-2010 UP Foodgrain Scam: Uttar Pradesh food grain scam also dubbed as Mother of all scams took place between years 2002 and 2010. The grain worth Rs 35000 crore, meant to be distributed via PDS to the poor under several schemes like Antyodaya Anna Yojana (AAY), Jawahar Rozgar Yojana and Midday Meal Scheme for Below Poverty Line (BPL) card holders, was diverted to the open market. Some of it was traced to the Nepal and Bangladesh borders, as

in 2010 security forces seized Rs 1.17 crore worth of foodgrains like paddy and pulses being smuggled to Nepal, another Rs 60.62 lakh worth of grains were confiscated on the Indo-Bangladesh border. The scam first was exposed in 2003, in Gonda district during the distribution of foodgrain meant for the Sampoorna Grameen Rozgar Yojana. After initially ordering an inquiry into the scam Mulayam Singh withdrew it. The Special Investigation Team (SIT) set up by the Mulayam Singh Government in 2006, lodged over 5,000 FIRs. The latest of the scam series in India, initially referred as the 'UP rice scam' could be the biggest of them all, even outdistancing the 2G Spectrum scam. The scam involves goofing up of rice worth Rs 20, 0000 crore. It was a scam that stretched to almost 7 years and 300 FIRs.

2009 Satyam Computer Services Scandal: It was a corporate scandal that occurred in 2009 where Chairman Ramalinga Raju confessed that the company's accounts had been falsified. The Global corporate community was shocked and scandalised when the Chairman of Satyam, Raju resigned on January 7, 2009 and confessed that he had manipulated the accounts by \$1.47 Billion.

2002-2003 Taj Heritage Corridor case: It is an alleged scam wherein 2002-2003, the then Chief Minister of Uttar Pradesh Mayawati and a Minister in her Government, Nasimuddin Siddiqui, were charged with corruption. The Taj Corridor project was intended to upgrade tourist facilities near the Taj Mahal and was to be implemented during her tenure as Chief Minister.

1996 Fodder scam: This scam broke out in 1996 in the town of Chaibasa, Bihar when the animal husbandry department embezzled funds of around Rs 950 crore meant to purchase cattle fodder, medicines and animal husbandry equipment in Bihar. Chief Minister Lalu Prasad Yadav was forced to resign along with former Chief Minister Jagannath Mishra.

1996 Telecom fraud: Former Minister of State for Communication Sukh Ram was accused of causing a loss of Rs.1.6 crore by favouring a Hyderabad-based firm in the purchase of telecom equipment.

1996 Urea scam: The scam came into light after a shortage of fertiliser in 1996 was reported, a clutch of businessmen in connivance with top officials of the National Fertiliser Limited, fleeced the Government of Rs.133 crore for the import of urea, which was never delivered.

1992 Securities scam: Harshad Mehta manipulated banks and the stock market, pushing shares like ACC from Rs.500 to Rs 10,000. The stacked-up claims of the brokers were a staggering Rs 10,000 crore.

1990 Airbus scandal: Indian Airline's signing of the Rs.2, 000-crore deal with Airbus instead of Boeing caused a furore following the crash of an A-320 airliner.

1980-90s Bofors scandal: It was a major corruption scandal in India in the 1980s and 1990s, initiated by Congress politicians and implicating the Prime Minister, Rajiv Gandhi and several others who were accused of receiving kickbacks from Bofors AB for winning a bid to supply India's 155 mm field howitzer. The scale of the corruption was far worse than any that India had seen before and directly led to the defeat of Gandhi's ruling Indian National Congress party in the November 1989 general elections. The Swedish company paid INR640 million (US\$12

million) in kickbacks to top Indian politicians and key defence officials. The case came into light during Vishwanath Pratap Singh's tenure as defence minister.

1989 St. Kitts Forgery: Documents were forged to allege that former Prime Minister VP Singh was a beneficiary of his son Ajeya Singh's account in the First Trust Corp at St Kitts, with a deposit of \$21 million.

1987 HDW Commissions: The German submarine maker was blacklisted after allegations that commissions worth Rs 420 crore had been paid in the 1987 deal in India.

1981 Antulay Trust: AR Antulay, the then Chief Minister of Maharashtra, allegedly garnered Rs 30 crore from businesses dependent on State resources.

1948 Jeep Scandal: It was first major corruption case in independent India. VK Krishna Menon, the then Indian high commissioner to Britain, ignored protocols and signed a Rs 80 lakh contract for the purchase of army jeeps with a foreign firm. While most of the money was paid upfront, just 155 jeeps landed, the then Prime Minister Nehru forced the government to accept them. Govind Ballabh Pant the then Home Minister and the then Government of Indian National Congress announced on September 30, 1955 that the Jeep scandal case was closed for judicial inquiry ignoring suggestion by the Inquiry Committee led by Ananthasayanam Ayyangar.

Causes of Corruption

- Emergence of political elite which believes in interest-oriented rather than nation-oriented programmes and policies.
- Artificial scarcity created by people with malevolent intentions wrecks the fabric of the economy.
- Change in the value system and ethical qualities of men who administer.
- Tolerance of people towards corruption, complete lack of intense public outcry against corruption
- Absence of a strong public forum to oppose corruption allow corruption to reign over people
- Vast size of population coupled with widespread illiteracy and the poor economic infrastructure lead to endemic corruption in public life.
- In a highly inflationary economy, low salaries of government officials compel them to resort to corruption.
- Complex laws and procedures deter common people from seeking help from the government.
- Election time is a time when corruption is at its peak. Big industrialists fund politicians to meet high cost of election and ultimately to seek personal favour.
- Lack of effective management and organization of administrative
- Lack of effective political mechanism.
- Lack of economic stability.
- Diminishing values in the society.
- Lack of awareness about policies and procedures

Consequences of Corruption: The following are some of the consequences of corruption

- **Economic Development**

Some fairly robust statistical evidence has now been furnished showing that higher corruption is associated with: Higher (and more costly) public investment, Lower government revenues, Lower expenditures on operations and maintenance, Ensuring lower quality of public infrastructure. The evidence also shows that corruption increases public investment by making it more expensive, while reducing its productivity.

- Loss of National wealth
- Hindrance and obstruction in development
- Backwardness
- Poverty
- Authority and power in wrong hands
- Brain drain
- Rise in terrorism and crimes
- Rise in suicide cases
- Psychological and social disorders
- Under pricing of 2G spectrum resulted in heavy loss of 176,379 crore rupees.

Remedial Measures to Control Corruption: Corruption is a cancer, which every Indian must strive to cure. Many new leaders declare their determination to eradicate corruption but soon they themselves become corrupt and start amassing huge wealth. Following measures need to be adopted to control corruption are:

- Foolproof laws should be made so that there is no room for discretion for politicians and bureaucrats.
- Value education Effective and regular
- The role of the politician should be minimized.
- Application of the evolved policies should be left in the hands of an independent commission or authority in each area of public interest.
- The decision of the commission or authority should be challenged only in the courts.
- Cooperation of the people has to be obtained for successfully containing corruption. People should have a right to recall the elected representatives if they see them becoming indifferent to the electorate.
- Funding of elections is at the core of political corruption. Electoral reforms are crucial in this regard. Several reforms like state funding of election expenses for candidates, strict enforcement of statutory
- Requirements like holding in-party elections, making political parties get their accounts audited regularly and filing income-tax returns, denying persons with criminal records a chance to contest elections, should be brought in.
- Responsiveness, accountability and transparency are a must for a clean system. Bureaucracy, the backbone of good governance, should be made more citizen-friendly, accountable, ethical and

- Transparent.
- More and more courts should be opened for speedy and inexpensive justice so that cases don't linger in courts for years and justice is delivered on time.
- Local bodies, independent of the government, like Lokpals, Lok adalats and vigilance commissions should be formed to provide speedy justice with low expenses.
- With the help of the Right to Information Act, citizens should be empowered to ask for information related to public services, etc. and this information should be made available to general public as and when required. Such stringent actions against corrupt officials will certainly have a deterrent impact.

Conclusion: Corruption is not a pebble that you can pick it up and throw it, like it is nothing. Corruption is one million times bigger than the Everest, and the same amount of times, deeper than the deepest oceans. But as a matter of fact, corruption is not a physical structure and is now in our DNA and is flowing within us, in our blood and our heart is pumping it, loving it and nurturing it like nothing else. By looking at others we cannot see corruption rather we have to look within us to see the mightiness of corruption. The entire body of the society is corrupted, and just we cannot alone blame the politicians, executives, judiciary, business persons or anyone else for promoting corruption.

we cannot just eradicate it, by changing laws, by doing hunger strikes, and street fight on the road, nor we are eradicate it by the virtue of some persons who are fighting for removing corruption from India.

India is a fast developing country in the world where our systems are weak. So there is always a chance of corruption. Who is responsible for this? What action should be taken? What we must keep in mind is "Nothing is Impossible". If we join our hands together there can be amend to this deep rooted evil. The only thing is it takes time. A little progress everyday leads to a big result one day.....may be tomorrow. Be Good and Do Good

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