

UNIT 79 – UPSC - Challenges of Corruption

Corruption is a global phenomenon and it is ubiquitous. Corruption has progressively increased and is now proliferating in our society. Corruption around the world is believed to be endemic and universal and a significant contributor to sluggish economic growth, to stifle investment, to inhibit the provision of public services and to increase inequality to such an extent that international organizations like the World Bank have identified corruption as 'the single greatest obstacle to economic and social development' (World Bank, 2001). Huntington (1968) and other theorists believe that "corruption is most prevalent during the most intense phase of modernization of a country and tends to decline with institutionalization of advanced democracy". Basically, Corruption is offence on the part of an authority or powerful party through means that are illegitimate, immoral, or incompatible with ethical standards. Corruption often erupts from patronage and is associated with bribery.



In broad way, Corruption is not just the clearly bad cases of government officials scanning off money for their own benefit. It also includes cases where the systems do not work well, and ordinary people are left in a bind, needing to give a bribe to get a work done or the licenses they

need. The state of economy also plays an important role in corruption. Inequality of wealth distribution, exploitation by employers, and low wages and salaries provide ideal breeding ground for corruption. A license-permit regime or scarcity of basic commodities adds fuel to the fire. India is a textbook example of how license-permit Raj can vitiate political as well as economic atmosphere of the nation. It is said that Corruption violates human rights, challenges the rule of law, distorts the development process, and dis-empowers the Indian state. Corruption hinders the process of fulfilling civil, political, economic, social and cultural rights.

Forms of Corruption

1. **Embezzlement:** It is theft of resources by people who are put to administer it. It occurs when unfaithful employees steal from their employers. This is a serious offence when public officials are misappropriating public resources, when state official steals from the public institution in which he or she is employed and from resources he is supposed to administer on behalf of the public.
2. **Nepotism:** Nepotism is typical favouritism, in which an officer prefers his proper kinfolk and family members (wife, brothers and sisters, children, nephews, cousins, in-laws). Many unrestricted presidents have tried to secure their (precarious) power position by nominating family members to key political, economic and military/security positions in the state apparatus.
3. **Conflict of Interest:** It is small but significant part of wider problem of police ethics and corruption.
4. **Favouritism:** Favouritism is a tool of power abuse implying "privatisation" and a highly biased distribution of state resources, no matter how these resources have been amassed in the first place. Favouritism is the natural human tendency to favour friends, family. Favouritism is closely related to corruption so far as it implies a corrupted distribution of resources. It can be said that this is the other side of the coin where corruption is the accumulation of resources.
5. **Fraud:** Fraud is a financial crime that involves some kind of deception, swindle or deceit. Fraud involves a manipulation or distortion of information, facts and expertise, by public officials positioned between politicians and inhabitants, who seeks to draw a private profit. Fraud is when a public official, who is responsible for carrying out the orders or tasks assigned by his superiors (principal), manipulates the flow of information to his private profit, hence the widely used principal-agent or incentive theory employed by economists to study this phenomenon (Eskeland and Thiele 1999).
6. **Bribery:** This form of corruption is the payment (in money or kind) that is given or taken in a corrupt relationship. A bribe is a fixed sum, a certain percentage of a contract, or any other favour in money or kind, usually paid to a state official who can make contracts on behalf of the state or otherwise distribute benefits to companies or individuals, businessmen and clients.

Characteristics of Corruption

1. Gap between group and individual interest.
2. Two or more parties since one can hardly be corrupt with one's own self.

3. Consenting adults that have a common understanding.
4. Benefit furtherance.
5. Existence of power that could be grabbed, usurped, entrusted or otherwise available.
6. Misuse of the power that often drives a wedge between intended and stated positions, for unintended benefits.

Corruption in India is a consequence of the nexus between bureaucracy, politics and criminals. It has been observed that in cities and villages throughout India, there is "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.

It is now well recognized that the State is mainly responsible for both formulating and enforcing policies relating to good governance and human rights. Good governance is key factor. The good governance agenda includes protection and promotion of human rights and rule of law. Both these functions will not be fully accomplished if corruption is widespread in government. It is important that institutions like the NHRC (National Human Rights Commission) provide a framework to take up cases of corrupt acts of individuals and institutions that result in human rights violations. Major challenge is that Corruption is a strong violator of human rights, particularly the economic and social rights of individuals as well as those of the State. It not only weakens development and growth, it also hinders efforts aimed at poverty eradication, socio-economic transformation and creation of an egalitarian society in accordance with the Directive Principles of the State Policy.

Major issues, country faces to curb corruption are poverty that hinders social and economic development. Corruption weakens education and health systems, depriving people of the basic building blocks of a decent life; Undermines democracy by distorting electoral processes and undermining government institutions, which can lead to political instability; Exacerbates inequality and injustice by perverting the rule of law and punishing victims of crime through corrupt rulings. Major scandals such as the 2G spectrum scam, Commonwealth Games misappropriations, Adarsh housing scandal, and the cash for vote scam have badly dented the credibility of the political class. Public dissatisfaction with the current inefficient and arbitrary decision making system of the nation appears to be at all-time high after independence.

India is facing fundamental challenges that should be taken up on a priority basis. The current system of governance is so terrible that honest people cannot raise their voice. Unfortunately, the political class has lost will power to address this serious issue at the root level. There are several issues in dealing with corruption because corruption may be seen at various levels. It may be present at political levels, in the corporate sector and amongst the bureaucracy, and may also be responsible for the criminalization of politics. For most political parties, winning the elections becomes a sole obsession and increasing election expenses are often stated as a major cause for political corruption. In addition, an expensive and lavish lifestyle is the product of a consumerist culture and politicians also form part of the same culture. In the last few years, the press has been replete with reports of scams and scandals.

In many countries, a large proportion of higher-level civil officials are believed to be either dishonest on their own or act as accomplices, conduits or agents for corrupt Ministers. At lower

levels of bureaucracy, corruption mostly takes the form of speed money for expediting approvals and for providing (or not withholding) legitimate services (e.g., in utilities such as telephones, electricity boards and civic services). An interlocking of corruption exists at various levels of the government hierarchy elected politicians, higher bureaucracy and lower bureaucracy. Criminalization of politics begins with politicians seeking the assistance of criminals, in particular to fight elections. This means the use of 'money power' and 'muscle power' by politicians on the one hand and assisting and backing crimes and sheltering of criminals on the other, which in turn leads to politicization of the administration, particularly of the police and election of persons with criminal records and their consequent occupation of places of honour and status.

Existing political science and economics literature have recommended that information transparency is fundamental to control corruption. Many studies link information accessibility and internet access to the incidence of corruption. Schroth and Sharma (2003) emphasize that corruption can be reduced by merging the power of technology with the law, as the internet can provide access to information regarding corrupt practices. Roberts (2006) found that the internet vastly reduced the cost of distributing, collecting, and accessing government information, thus supporting international practices in transparency. Few empirical studies measured whether internet access addresses the central issues of corruption. DiRienzo et al. (2007) employs cluster analysis of corruption data, which reveals a global pattern "countries with similar cultural, economic, and institutional backgrounds and access to information also experience similar levels of corruption."

The internet is a valued resource in e-government initiatives, but some scholars challenge the efficiency of e-governance. Bhatnagar (2003) proclaims that e-government is less successful at curbing corruption unless there is a pre-existing legal framework that supports freedom of information. Bertot et al. (2010) claims that cultures with overwhelming power disparity are more resistant to transparency, which restricts the utility of e-governance. Information availability through internet access does not automatically translate to proper usage by citizens to demand government accountability, especially when the average citizen lacks political power. To summarize, corruption is an unlawful practice. Corruption is the most serious issue undermining the efforts of governments across the globe to tackle world's most persistent problems such as political stability, health and welfare, sustainable economic development, international trade and investment, climate change and poverty. Corruption is serious consequences of poor governance. A country with prevalent corruption consistently has low investment rates, poor economic growth and restricted human development.