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## Research Article

### ROLE OF CIVIL SOCIETY AGAINST CORRUPTION IN INDIA

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#### ABSTRACT

“Corruption exists and has always existed. It is pervasive and has far-reaching consequences. Corruption is one of the major hurdles to overall development and economic prosperity. It distorts functioning of the democratic institutions and is a system of deeper institutional weakness and legal loopholes. This malaise has been eating into the very polity of societies and distorting development resources to the extent of undermining democratic institutions and their values. Civil Society has become one of the most effective allies of the state in forging anti-corruption coalition in many countries. Even India has successful stories of partnering with civil society organisations from awareness raising to policy formation to monitoring of the implementation of anti-graft legislation. With such coalition approach, India has augmented its capacity to contain corruption in recent decades. The level of empowerment and involvement of civil society in Anti-Corruption policy formation and implementation is a yardstick to measure the success of partnership approach in any country.”

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#### INTRODUCTION

In recent years, a key development issue emerged in India is Fighting against corruption. More and more policymakers, businesses, and civil society organizations<sup>1</sup>, have begun to confront the issue openly. A number of factors explain this growing emphasis on fighting corruption. Expansion and consolidation of democracy at the grassroots level has enabled citizens to use the vote and new-found civil liberties to confront corruption<sup>2</sup>, prompting leaders and opposition figures to show a stronger anti-corruption commitment. Internationally, since the end of the cold war, donor governments have focused less on ideological grounds for foreign assistance and concentrated more on trade and development, both of which are undermined by corruption. Countries with high levels of corruption, like India, have found<sup>3</sup> themselves less able to attract investment and aid in a competitive global market. At the same time, business within the country has faced ever stiffer competition with the globalization of trade and capital markets, and has become less willing to tolerate the expense and risk associated with corruption.

##### *Review of Literature*

The body of theoretical and empirical research that objectively addresses the problem of corruption has grown considerably in

recent years (Elliot 1997, Coolidge and Rose-Ackerman 1997, Gandhi 1998, Gill 1998, Girling 1997, HDC 1999, Kaufmann and Sachs 1998, Mauro 1995, Paul and Guhan 1997, Shleifer and Vishny 1998, Staphenurst and Kpundeh 1998, Vittal 1999, World Bank 1997, Sunil Sondhi 2000, Rajni Kumari 2013). A Preliminary analysis of the literature shows that corruption in India and elsewhere is recognized as a complex phenomenon, as the consequence of more deep seated problems of policy distortion, institutional incentives and governance.

##### *Basic Hypothesis*

Preliminary examination of data from various sources suggests the formulation of a clear hypothesis concerning the role of civil society in against corruption<sup>4</sup> in India. Viewed in this perspective, anti-corruption strategies are not simply policies that can be planned in advance and isolation, but often a set of subtler insights that can be developed only in conjunction with citizen participation. Against corruption is, therefore, not just a matter of making laws and creating institutions, but rather it is deeply rooted in the activities of the civil society itself.

#### METHODOLOGY

In recent years significant improvement have been made in the measurement of corruption, in the construction of composite

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corruption indices, and in the design and implementation of surveys. The Economic Development Institute<sup>5</sup> at the World Bank in collaboration with the Transparency International and local NGOs, has developed a methodological approach integrating within one empirical framework the various components identified so far for understanding and against corruption. This overall empirical approach link worldwide database and analysis with determinants of corruption, in-depth country analysis, and country action program. In this research paper, the World Bank framework is used to understand and explain the role of civil society in against corruption in India, and consider recent initiatives for an effective action plan in this regard.

Anti-corruption Analysis and Action (Adapted from: Kaufman, Pradhan, and Ryterman, 1998)<sup>6</sup>

\*Database and Analysis: \*Worldwide and Regional data analysis, \*Prevalence of corruption, \*Consequences of corruption, \*Country governance factors  
\*Determinants of corruption: \*Political patronage, \*Administrative labyrinth, \*Lack of punishment, \*Social environment \*Country Analysis: \*Political Will, \*Civil society understanding, \*Focus groups, \*Task forces  
\*Action Programme: \*Institutional and priorities, \*Political will and government role, \*Civil society \*Role of international community.

### **Causes of Corruption in India**

The causes of corruption in India include excessive regulations, complicated taxes and licensing systems, numerous government departments each with opaque bureaucracy and discretionary powers monopoly by government controlled institutions on certain goods and services delivery, and the lack of transparent laws and processes. There are significant variations in level of corruption as well as in state government efforts to reduce corruption across India.

There is little doubt that corruption in present day India pervades all levels and all services, not even sparing the Indian Administrative Services and Judicial Services. The bureaucracy of the British India was considered to be largely untainted with corruption. The mid-1960s is considered to be the great divide in the history of public administration in India. It marked the fading away of the Gandhian and Nehruvian era of principled politics and the emergence of new politics the keynote of which was morality. The scams and scandals of the nineties revealed that among the persons accused of corruption were former Prime Ministers, former Chief Ministers, former Governors, Ministers, M.P., M.L.A.'s and Bureaucrats. India's experience with corruption has shown that law, rules, regulations, procedures and methods of transaction of government business, however sound and excellent cannot by themselves ensure effective and transparent administration if the political and administrative leadership entrusted with their enforcement fails to do so and abuses its powers for personal gain.<sup>7</sup>

### **Political Patronage**

The biggest cause of corruption in today's India is undoubtedly the political leadership at the helm of affairs in the country. The post-independence political leadership has risen from the grassroots level in the form of regional, caste, linguistic and other protest movement. The A. D. Gorawala Report was one

of the earliest official documents that laid bare the problem of corruption in India. World War II was an expression of violence and also of greed. Gorawala added to that the failure of the national movement to leave behind a spiritual residue among the people.

The Gorawala Report was particularly harsh on the role of the political leadership in setting examples before the public. "Enquiries into allegations have<sup>8</sup> been made by senior all-India leaders of the principle party. There should be no hushing-up or appearance of hushing-up for personal or political reasons."

For the Railway Corruption Enquiry Committee, chaired by J.B. Kriplani, corruption was a failure of citizenship. Whether it was the bribe, ticket less travel or theft, all these were acts which undermined the state. Politicians and senior bureaucrats were among those who claimed exemption from paying for travel on account of their status. The report therefore went on to insist that "apart from administrative reforms, and punitive measures, there is a great need for higher officials to play the leaders in a reform movement." However, by condoning high-visibility cases of corruption and shielding the guilty, Nehru legitimized graft in high places, and<sup>9</sup> this undermined the rule of law and the moral basis of the polity. There are a few failings for which India has paid so heavy a price as his tolerance of corruption among his colleagues and party men.

The role of political leadership in aiding and abetting spread of corruption in India was most clearly brought out by Shah Commission of enquiry constituted to look into the excesses committed during the period of Emergency (1975-77). Justice Shah reserved his most damning observations for the role that Sanjay Gandhi, son of Indira Gandhi, played subverting rule of law in the country.

Here was a case of an individual wielding unlimited powers a dictatorial powers without even the slightest right to it. If this country is to be rendered safe for future generations the people owe it to themselves to ensure that an irresponsible and unconstitutional centre of power like the one which revolved<sup>10</sup> around Shri Sanjay Gandhi during the Emergency is not allowed to ever come up again in any form or shape or under any guise.

The nexus between corrupt politicians and corrupt bureaucrats has been clearly proved in recent years by scams like Animal Husbandry (fodder) scam in Bihar (in which the former Chief Minister, some of his ministers, legislators of the ruling and opposition parties and several senior bureaucrats were charge sheeted by the C.V.I.), Coal scam in Tamil Nadu (involving the then C.M. Ms. Jayalalita), Urea scam (involving the son and a relative of the former Prime Minister Narasimha Rao), Telecom scam (involving the Union Telecom Minister Sukhrum), Boforce top scam (involving former Prime Minister Rajeev Gandhi), Share scam (involving Harshad Mehta), Coal mining scam, Commonwealth Game scam, 2 G Spectrum scam, Adarsh Housing scam etc. Most of the largest sources of corruption in India are entitlement programmes and social spending schemes enacted by the Indian government. For example Mahatma Gandhi National Rural Employment Guarantee Act and National Rural Health Mission. Other daily sources of corruption include India's trucking industry which is forced to pay billions in bribes annually to numerous regulatory and police stops on its interstate highways. Indian media has

widely published allegations of corrupt Indian citizens stashing trillions of dollars in Swiss Bank. According to a third report, published in may 2012. Swiss National Bank estimates that the total amount of deposits in all Swiss Banks, at the end of 2010, by citizens of India were CHF 1.95 billion (9295 crore). Since the corruption flows down from the top it is not easy to stop it or limit it, and it has a devastating effect on the administration and the society in general<sup>11</sup>

**Index trends in major states by respective anti-corruption efforts<sup>12</sup>**

State	1990-95	1996-00	2001-05	2006-10
Bihar	0.41	0.30	0.43	0.88
Gujrat	0.48	0.57	0.64	0.69
Andhra Pradesh	0.53	0.73	0.55	0.61
Panjab	0.32	0.46	0.46	0.60
Jammu Kashmir	0.13	0.32	0.17	0.40
Hariyana	0.33	0.60	0.31	0.37
Himachal Pradesh	0.26	0.14	0.23	0.35
Tamil Nadu	0.19	0.20	0.24	0.29
Madhya Pradesh	0.23	0.22	0.31	0.29
Karnataka	0.24	0.19	0.20	0.29
Rajasthan	0.27	0.23	0.26	0.27
Kerala	0.16	0.20	0.22	0.27
Maharashtra	0.45	0.29	0.27	0.26
Utter Pradesh	0.11	0.11	0.16	0.21
Orissa	0.22	0.16	0.15	0.19
Assam	0.21	0.02	0.14	0.17
West Bengal	0.11	0.08	0.03	0.01

**Administrative Lybyrinth**

Cumbersome and dilatory administrative procedures and practices are another major cause of corruption in India. The organization and functions of the police are governed by the Indian Police Act of 1861. The Indian Evidence Act came into force in 1872. The Indian Telegraph Act, which regulates the control of air-waves and licensing of broadcasting facilities, was passed in 1855 even before the invention of the wireless.<sup>13</sup> The archaic legal system is not only least suited to the promotion of a democratic, egalitarian, welfare state, it fosters an outlook which is subversive to social equity. The focal point of colonial justice was the individual and the protection of individual property rights whereas the emphasis of a welfare state is on the rights of the society and social justice.

**Lack of Punishment**

A contributory factor to the growth of corruption in India is that the cases relating to corruption are often handled in a casual and clumsy manner. Those in hierarchy vested with disciplinary powers shirk duty and show unwillingness to use their power against corrupt practices. The result is that the corrupt are rarely caught and even if caught are let off with minor or no penalties. The government officials<sup>14</sup> entrusted with the responsibilities of dealing with corruption do it in a most inefficient and lethargic manner and this suits the political leadership which patronises corruption.

The judicial system is so expensive, dilatory, and inefficient that it takes years and years for corruption cases to be decided. The infamous Harshad Mehta case of organised corruption in the stock exchanges of India, in which small investors lost Thousands of crores of rupees, has been in the courts for almost a decade now and as yet there is no indication of its nearing any decision. There are three crore cases pending in the Indian courts and average time taken for disposal of cases is from 10-

20 years. Justice delayed is justice denied in most cases of corruption.

**Social Environment**

Public administration is a sub-system of the political system which itself is a part of the larger whole called the social system. Administration cannot be plucked out from the tissue of culture in which it is embedded as a member of the wide societal system. A bureaucrat<sup>15</sup> reflects the spirit and ethos of that society, and his actions are bound be the manifestation of his culture moorings. In present day India, corruption has found an acceptance in the social psyche and behaviour. It is no surprise therefore that at times the corrupt political leaders walk majestically to the court and acknowledge their supporters greetings as if they were to receive award for public service.<sup>16</sup>

**Indian Black Money in Switzerland**

India was ranked 38th by money held by its citizens in Swiss banks in 2004 but then improved its ranking by slipping to 61st position in 2015 and further improved its position by slipping to 75th position in 2016. According to a 2010 The Hindu article, unofficial estimates indicate that Indians had over US\$1,456 billion in black money stored in Swiss banks (approximately US\$1.4 trillion). While some news reports claimed that data provided by the Swiss Banking Association Report (2006) showed India has more black money than the rest of the world combined, a more recent report quoted the SBA's Head of International Communications as saying that no such official Swiss Banking Association statistics exist.

Another report said that Indian-owned Swiss bank account assets are worth 13 times the country's national debt. These allegations have been denied by Swiss Bankers Association. James Nason of Swiss Bankers Association in an interview about alleged black money from India, holds that "The (black money) figures were rapidly picked up in the Indian media and in Indian opposition circles, and circulated as gospel truth. However, this story was a complete fabrication. The Swiss Bankers Association never published such a report. Anyone claiming to have such figures (for India) should be forced to identify their source and explain the methodology used to produce them."

In a separate study, Dev Kar of Global Financial Integrity concludes, "Media reports circulating in India that Indian nationals held around US\$1.4 trillion in illicit external assets are widely off the mark compared to the estimates found by his study." Kar claims the amounts are significantly smaller, only about 1.5% of India's GDP on average per annum basis, between 1948 and 2008. This includes corruption, bribery and kickbacks, criminal activities, trade mispricing and efforts to shelter wealth by Indians from India's tax authorities. According to a third report, published in May 2012, Swiss National Bank estimates that the total amount of deposits in all Swiss banks, at the end of 2010, by citizens of India were CHF 1.95 billion (92.95 billion (US\$1.3 billion)). The Swiss Ministry of External Affairs has confirmed these figures upon request for information by the Indian Ministry of External Affairs. This amount is about 700-fold less than the alleged \$1.4 trillion in some media reports. The report also provided a comparison of the deposits held by Indians and by citizens of

other nations in Swiss banks. Total deposits held by citizens of India constitute only 0.13 per cent of the total bank deposits of citizens of all countries. Further, the share of Indians in the total bank deposits of citizens of all countries in Swiss banks has reduced from 0.29 per cent in 2006 to 0.13 per cent in 2010.

### ***Consequences of Corruption***

In the final analysis, corruption is as much a moral as a development issue. It can distort entire decision-making processes on investment project and other commercial transactions, and the very social and political fabric of societies. The Supreme Court of India in a recent judgement gave its comments on the far reaching effects of corruption, and these comments deserve to be mentioned in some detail. Corruption is opposed to democracy and social order, being not only anti-people, but also aimed and targeted at them. It effects the economy and destroys the culture heritage. Unless nipped in the bud at the earliest, it is likely to cause turbulence shaking of the socio-economic political system in an otherwise healthy, wealthy, effective and vibrating society. (AIR 2000, SC 870)

Corruption is found to be one of the most damaging consequences of poor governance and poverty, classified by lack of efficiency, transparency and accountability. Corruption diminishes investment and suppresses economic growth and development and also reduces the effectiveness of public administration. It diverts the public resources towards corrupt politicians and officials and away from the needy and poor people. So corruption can be considered anti-poor and anti-development.

### ***Economic Development***

Some fairly robust statistical evidence has now been furnished showing that higher corruption is associated with (i) higher (and more costly) public investment; (ii) lower government revenues; (iii) lower expenditures on<sup>17</sup> operations and maintenance; and (iv) ensuing lower quality of public infrastructure. The evidence also shows that corruption increases public investment, by making it more expensive, while reducing its productivity.

A recent study by the Peruvian economist Paolo Munro (1995 and 1998) found that a corrupt country is likely to face aggregate investment level of approximately 5 percentage points less, than a relatively uncorrupt country. The evidence from India is particularly stark. If corruption levels in India were reduced to that in the Scandinavian countries, investments rates could increase annually by some 12 percent and the GDP growth rate by almost 1.5 percent each year. A former chairman of the Delhi<sup>18</sup> Electricity Board (DEB) WAS suspended and charged with amassing assets worth over 14 crore rupees, which is almost a hundred times more than his known sources of income. Such massive corruption is certainly one of the main reasons for perennial power shortages and frequent breakdowns in the capital. Corruption also reduces the government's resources and hence its capacity for investment, since tax revenues are depleted by tax evasion. Whole industries<sup>19</sup> today depend on black money. The film industry, a substantial part of the construction industry and a large number of small industries are run on the basis of black money.

### ***Social Welfare***

The damaging effects of corruption on investment and economic growth are widely recognised. But corruption also has adverse effects on human development. Allocating government funds to a few large defense contracts or mega-projects may seem more attractive to corrupt bureaucrats and politicians than spending the same money to build numerous rural health clinics. Similarly, there may be a temptation to<sup>20</sup> chose more complex technology (where detecting improper valuation or overinvoicing is more difficult) than simpler, and more appropriate technology.

### ***Political System***

Politically, corruption increases injustice and disregard for rule of law. Basic human rights and freedoms come under threat, as key judicial decisions are based on the extent of corrupt bribes given to court officials rather than on the innocence or guilt of the parties concerned. Police investigations and arrests may be based on political victimisation or personal vendettas rather than on solid legal ground. Commenting on the socio-political consequences of corruption the Supreme Court of India observed in the judgement cited above that corruption in a civilized society was a disease like cancer. If not detected in time it was sure to turn the polity malignant leading to "disastrous consequences". The apex court said a socio-political system exposed to such a dreaded communicable disease was likely to crumble under its own weight.

### ***Against Corruption***

Looking at the number of agencies created to tackle corruption, it is apparent that the government has been taken to eradicate this malady. Even before Independence, the colonial rulers had established the Delhi Special Police Establishment (DSPE) to control corruption which surged during the Second World War. The Prevention of corruption Act was passed in 1947 and an Administrative Vigilance Division (AVD) created in the home<sup>21</sup> ministry in 1955. The important measure during the early decades was the creation of the Central Bureau of Investigation (CBI) in 1963, which incorporated DSPE as the Investigation and Anti-Corruption Division.

### ***Political Commitment***

This elaborate and multi-layered apparatus to control corruption could hardly make a dent on the situation because of lack of political commitment on the part of political leadership in the states and at the center. It is more than clear all these institutional arrangement to combat corruption can be useful only if correctives come from the political class which is the final legislative and executive authority in a parliamentary democracy. The case of Bihar, 2G Spectrum and Coal Scam during the past decade shows that all anti-corruption instruments and strategies come to naught against a political leadership which<sup>22</sup> has a vested interest in continuing corruption. Similarly, the spate of criminal cases in which a former Chief Minister of Tamilnadu, Jayalalita, was herself involved shows that during her tenure political and administrative corruption could not have been checked effectively primarily because of the political patronage she had given to corrupt practices.

### **Administrative Accountability**

Another essential component of anti-corruption strategy is the strict enforcement of the principle of accountability at all levels. In India the government performs vast functions over a wide range of areas of public concern. The apex court and several high courts have upheld cases against political and administrative functionaries at the highest levels. The cases involving former Chief Ministers of Tamilnadu, Bihar, Jharkhand, and Karnataka are<sup>23</sup> illustrative of judicial activism that has come to the rescue of rule of law against the custodians of law themselves.

### **Procedural Simplification**

To reduce or control corruption it is necessary to eliminate delays. For that it is essential that office procedures should be simplified and levels of hierarchy reduced. Instead of the present system in which official files take rounds of several offices before a decision is taken, new pattern of decision-making, which is transparent and simple, needs to be evolved. This requires reorganization of<sup>24</sup> government departments so as to reduce from nine to four the levels through which a case is processed today. Latest management techniques and methods need to be incorporated into the functioning of all public services and public sector projects so that their efficiency and productivity keeps up with their social obligations.

### **Civil Society Participation**

Civil society is considered as the realm of association between the household and the state. Typically this includes professional organization as well as other formal and informal non-profit associations. The civil society addresses the will of the state to operate in an accountable, transparent and responsive manner.<sup>25</sup> Civil society organizations have a key role to play in against corruption. In fact, the task of ensuring sustained political commitment, administrative accountability, and procedural simplification can be achieved more quickly if vigilant and active civil society organizations take up the responsibility of interacting with the government organizations. The report card methodology developed by the Public Affairs Center in Bangalore is an innovative instrument to track down and expose corruption in public services.

A study conducted by Transparency International in 2005, said that in India, more than 62 percent of Indians have had a first-hand experience of paying bribes or influencing to get jobs done in public offices successfully. Later in 2013, India was ranked 94 th out of 177 countries in Transparency International's Corruption Perceptions Index.<sup>26</sup>

India has improved its ranking on a global corruption index in 2018, while its neighbour China lagged far behind, according to the annual index released by an anti-graft watchdog on Tuesday. India rose by three points to 78 in the list of 180 countries in the world, while China ranked 87 and Pakistan 117 in 2018, the Transparency International said in its Corruption Perceptions Index (CPI) for 2018. "As India gears up for its upcoming elections, we see little significant movement in its CPI score, which moved from 40 in 2017 to 41 in 2018," the global watchdog said. "Despite spectacular public mobilisation in 2011, where citizens demanded that the government take action against corruption and advocated for the passage of the comprehensive Jan Lokpal Act, these efforts ultimately fizzled

and fell flat, with little to no movement on the ground to build the specialist anti-corruption .With a score of 71, the US has dropped four points since last year. This marks the first time since 2011 that the US falls outside of the top 20 countries on the CPI, it said. "A four point drop in the CPI score is a red flag and comes at a time when the US is experiencing threats to its system of checks and balances, as well as an erosion of ethical norms at the highest levels of power," said Zoe Reiter, Acting Representative to the US at Transparency International.

Similarly, the common cause in Delhi has done considerable work in the area of<sup>27</sup> Public Interest Litigation (PIL) which has served the purpose of dragging corrupt officials to the courts. The The government of India too has now become aware of the need to integrated public policies with public participation. At a Conference of Chief Ministers of Indian States in May 1997, the Department of Administrative Reforms and Public Services evolved an "Action Plan on Effective and Responsive Administration", based on the responses and reactions from officials, experts, voluntary agencies, citizen's groups, media, etc. Among the various steps initiated in this respect, a core group was formed for the formulation and<sup>28</sup> monitoring of citizen's Charter by identified ministries with substantial public interface.

The citizen involvement in against corruption is the launching of Satyagrah (non-violent protest) by S.D. Sharma, an octogenarian freedom fighter and Vice-Chairman of the Transparency International-India, against political corruption and for honest and efficient governance. Established in 1997, the Transparency International-India has been playing a significant role in fighting corruption through Gandhian methods of non-violent<sup>29</sup> mass mobilization. A participatory process involving citizens in the formulation and monitoring of anti-corruption strategies is thus taking roots in India. As more and more civil society organisations become involved in this process and take steps to both formulate and implement anti-corruption strategies it can be expected that in the coming years efforts to against corruption should yield positive results.

The Increasing Corruption in India has increased the frustration of the people. This was witnessed when the Aam Aadmi came on the streets to support the activist, Anna Hazare and Arvind Kejriwal, who sat on the fast. He demanded the implementation of the Jan Lokpal Bill that will appoint a Lokpal look into the officials in indulging in corrupt practices at both State and Central level. The civil society have taken initiations to fight against corruption through citizen-created website and social media activism and India Against Corruption Movement.

### **Anti-Corruption laws, Regulations and Organisations in India**

Public servants in India can be penalised for corruption under the Indian Panel Code 1860, Procecuton section of Income Tex Act 1961, The Prevention of Corruption Act 1888, The Benami Transaction (Prohibition) Act 1988, Prevention of Money Laundering Act 2002, India is also a signatory to the UN convention against corruption since 2005 (ratified 2011). The convention coveres a wide range of act of corruption and also propoces certain preventive policies. The Lokpal Bill 2011 is a bill pending before the President of India and passed the Rajya Sabha and Lok Sabha.<sup>30</sup> But at present there are no legal provisions to check graft in the private sector in India.

Government has proposed amendment in existing acts and certain new bills for checking corruption in private sector. A committee headed by the chairman of Central Board of Direct Taxes (CBDT) has been constituted to examine ways to strengthen laws to curb generation of black money in India, its illegal transfer abroad and its recovery. The committee shall examine the existing legal and administrative framework to deal with the menace of generation of black money through illegal means including inter-alia the following: (1.) Declaring wealth generated illegally as national asset; (2.) Enacting/amending laws to confiscate and recover such assets; and (3.) Providing for exemplary punishment against its perpetrators. In August 2013 the Companies Bill 2012 neared passage. It will regulate fraud by corporations and its intended to avoid the accounting scandals such as the Satyam Scandal which have plagued India.<sup>31</sup> It replaces the Companies Act, 1956, which has proven outmoded in terms of handling 21 century problems.

The Directorate general of Income Tax Investigation, Central Vigilance Commission and Central Bureau of Investigation all deal with anti-corruption initiatives. Certain states such as Andhra Pradesh (Andhra Pradesh Anti-Corruption Bureau) and Karnataka (Lokayukta)<sup>32</sup> also have their own anti-corruption agencies and courts.

A variety of organisations have been created in India to actively fight against corrupt government and business practices. As well as 'Bharat Swabhiman Trust' established by well known Yog Guru Swami Ramdev running a large campaign against black money and corruption since last 10 years. 5<sup>th</sup> pillar is most known for the creation of the zero rupee note, a valueless note designed to be given to corrupt officials when they request bribes.<sup>33</sup> 'India Against Corruption' is a movement created by citizens from a variety of profession and status to work against corruption in India. The movement gathered tremendous media attention and came to the forefront in 2012. Prominent people associated with the movement were Arvind Kejriwal, Kiran Bedi, and Anna Hazare. In late 2012, Arvind Kejriwal took the route to form a political party to fight corruption while Anna Hazare and Kiran Bedi remain apolitical. The apolitical movement is currently headed by Anna Hazare while the political party formed by Arvind Kejriwal and his followers is called 'Aam Aadmi Party' and elected 28 M.L.A.'s in Delhi assembly election in 2013. Kejriwal defeated incumbent Chief Minister, Sheila Dikshit of the Indian National Congress (INC), in her constituency of New Delhi by a margin of 25,864 votes.<sup>34</sup> AAP formed a minority government in the hung assembly, (claiming support for the action gauged from opinion polls) with outside support from the eight INC MLAs, one Janata Dal MLA and one independent MLA. Kejriwal was sworn in as the second-youngest chief minister of Delhi on 28 December 2013, after Chaudhary Brahm Prakash who became chief minister at the age of 34. He was in charge of Delhi's home, power, planning, finance, services and vigilance ministries.

On 14 February 2014 he resigned as Chief Minister after failing to table the Jan Lokpal Bill in the Delhi Assembly. He recommended the dissolution of the Assembly. Kejriwal blamed the Indian National Congress and the Bharatiya Janata Party for stalling the anti-corruption legislation and linked it with the government's decision to register a First Information Report (FIR) against industrialist Mukesh Ambani, chairman

and managing director of Reliance Industries. In April 2014 he said that he had made a mistake by resigning without publicly explaining the rationale behind his decision. Kejriwal led Aam Aadmi Party to win 67 of the 70 constituencies in the 2015 Delhi Assembly elections, leaving the BJP with three seats and the INC with none. In those elections, he was again elected from the New Delhi constituency, defeating Nupur Sharma by 31,583 votes. He took oath on 14 February 2015 as Delhi's chief minister for a second time at Ramlila Maidan. Since then his party has passed the Jan Lokpal Bill though with some differences.

There has been a long-running dispute between Kejriwal's office and that of the Lieutenant-Governor of Delhi during Kejriwal's second term as Chief Minister. Various issues have been involved, relating which office has ultimate responsibility for various aspects of government, including some significant public appointments. Manish Sisodia characterised it as "It is a battle between the selected and the elected" and indicated after a legal setback that the government was prepared to take the issues to the Supreme Court of India

'Jaago Re! one billion votes' is an organization originally founded by Tata Tea and Janaagraha to increase youth voter registration.<sup>34</sup> They have since expanded their work to include other social issue, including corruption. Association for social Transparency, Right and Action (ASTRA) is an NGO focused on grass-roots work to fight corruption in Karnataka. One organization, the 'Lok Satta Movement', has transformed itself from a civil organization to a full-fledged political party, the Lok Satta Party. The party fielded candidates in Andhra Pradesh, Tamil Nadu, and Bangalore in 2009, it obtained its first elected post, when Jaya Prakash Narayan won the election for the Kukatpally assembly constituency in Andhra Pradesh.<sup>35</sup>

#### ***Factors contributing to corruption in India***

In a 2004 report on Corruption in India, one of the world's largest audit and compliance firms KPMG (KPMG-Klynveld Peat Marwick Goerdeler, is a network of professional service firms and one of the Big Four auditors, along with Deloitte, Ernst & Young, and Price waterhouse Coopers) notes several issues that encourage corruption in India. The report suggests high taxes and excessive regulation bureaucracy as a major cause; India has high marginal tax rates and numerous regulatory bodies with the power to stop any citizen or business from going about their daily affairs.

This power of Indian authorities to search and question individuals creates opportunities for corrupt public officials to extract bribes—each individual or business decides if the effort required for due process and the cost of delay is worth paying the bribe demanded. In cases of high taxes, paying off the corrupt official is cheaper than the tax. This, according to the report, is one major cause of corruption in India and 150 other countries across the world. In the real estate industry, the high capital gains tax in India encourages large-scale corruption. The KPMG report claims that the correlation between high real estate taxes and corruption is high in India as it is other countries including the developed economies; this correlation has been true in modern times as well as throughout centuries of human history in various cultures.

The desire to pay lower taxes than those demanded by the state explains the demand side of corruption. The net result is that

the corrupt officials collect bribes, the government fails to collect taxes for its own budget, and corruption grows. The report suggests regulatory reforms, process simplification and lower taxes as means to increase tax receipts and reduce causes of corruption.

In addition to tax rates and regulatory burdens, the KPMG report claims corruption results from opaque process and paperwork on the part of the government. Lack of transparency allows room for manoeuvre for both demanders and suppliers of corruption. Whenever objective standards and transparent processes are missing, and subjective opinion driven regulators and opaque/hidden processes are present, conditions are ripe for corruption.

Vito Tanzi in an International Monetary Fund study suggests that in India, like other countries in the world, corruption is caused by excessive regulations and authorisation requirements, complicated taxes and licensing systems, mandated spending programmes, lack of competitive free markets, monopoly of certain goods and service providers by government controlled institutions, bureaucracy, lack of penalties for corruption of public officials, and lack of transparent laws and processes. A Harvard University study finds these to be some of the causes of corruption and underground economy in India.

## CONCLUSION

There is a much better grasp today of the extent to which corruption is a symptom of fundamental institutional weakness. Instead of tackling such a symptom with narrow intervention designed to "eliminate" it, increasingly it is understood that the approach ought to address a broad set of fundamental institutional determinants. However, the challenge of integrating this understanding with participatory process has barely begun. The implementation of institutional reforms can benefit significantly from the participatory process that is being developed for anti-corruption activities. Equally important, any participatory process, however sophisticated, ought to lead to concrete results beyond enhanced participation and heightened awareness.<sup>36</sup> The gradual swing towards middle ground has taken place due to recognition of the limitations of ex post legalistic enforcement measures, since rule of law institutions themselves are currently part of the corruption problem in India.<sup>37</sup>

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