Introduction
Chapter-I

Introduction

It is a universally accepted fact that governance should be good. But, the question is whether good governance implies a government that governs the least or a government that controls everything. The concept of governance is neither new nor static; rather it is old and dynamic. It often becomes a miss-governance or bad governance not only due to sluggish nature but also due to political manipulation and corruption. Though it is the process of decision making and implementation of the decisions that are responsible to make good or bad governance, it is well known fact that because of the actors involved in the process of governance, the governance fails. Thus, the functionaries of the governance are fully responsible for providing bad governance that lacks in fostering the economic progress of the poor people. They, due to corruptive practices, allow few individuals to accumulate enormous wealth of their respective nations resulting in upheaval development, permanent hurdles to the progress of the poor people and corruption strained society.

Governance should do, therefore, good work for the common people without bias. Political and economic deals of the government should be accountable with responsibility by following more transparency at every level of its functions. Effective policy making and implementation are the hallmark of the good government provided it makes strides in the areas of people participation, accountability, predictability, transparency, responsiveness, effectiveness in reaching out to people that to deserving, the poorest of the poor.

If the policy recommendations made a decade ago in India continue to be the best route to improve the welfare of millions of people, why they have not? Vested interests were much more entrenched and institutional development was harder to foster the
economic progress of the people. Most of the policy decisions for removal of poverty among people failed due to vested interests operating at high level paving smooth ways for people indulging in corruption. It is identified that a number of groups effectively lobby for establishing a system of greater networking and nexus among corruptive people the world in order to influence the respective government and leaders. Fair people are, therefore, afraid to come to the political field that leads solely the government. Thus, corruption is flourishing in full swing not only in India but also in the entire world. As a result, necessary reforms in economic, political and social spheres remain a distant dream of the suffering people of the world.

Monitoring the reform process of the governance, therefore, has become one of the important areas for providing good governance. If good governance fails to emerge, the civil society will never improve its condition in all the fronts automatically resulting in lose of faith among people in respective governments. This process creates a great gap between people and government and lessens the number of people gradually from participating in the developmental works of the government. Therefore, transparency in sharing information can help in monitoring the policy decisions and accordingly it will increase the level of participations from people in respective areas of development by creating viable situation for the emergence of able systems in relation to accountability and public authority, which will result in the making of people friendly good governance at different levels. Although, it is ideal to expect such governance in the present fast-track world, methods should be devised for freeing people from the anguish of corruption spread by few individuals based on their ‘greed based economic agenda’.

Thus, the barriers of reforms put forward by powerful groups in the way of reforms should be removed efficiently and groups working with self interest at high level of
government bodies especially in the process of decision making should be powerfully thwarted. If it is done, there will emerge a plethora of institutions needed for the real service of the poor people of the world. Such process will definitely help in forming a new culture and guidelines for both governance and the leaders. It is pertinent to note here that governance does not merely mean the government. It means the framework of rules and regulations, institutions and established practices that sets limits and gives incentive for the behavior of individual, organization and firms. It also identifies basic human needs with individual rights.

Administrators instead of looking for achieving greater social security, they are elitist (authoritarian), exclusive and power crazy monopoliser. The creed of the administration is expected to be busy about its own business. Administration is basically "static" in orientation and is guided and controlled by external agencies and hence, are subservient to the interest of their masters. It should be mentioned here that the bureaucracy was the steel frame to serve British interest and to expand and consolidate its empire. During the entire tortuous course of freedom struggle, self-government and good government became synonymous. The leaders fighting for the liberation of the country declared that good government is no substitute for self-government.

With the passage of time after independence, the bureaucracy developed many ills like red-tapism, corruption, bungling, arbitrariness, wastefulness and regimentation. The bureaucrats are secure, well protected, highly privileged without corresponding responsibilities. Governance during last six decades presents a very disquieting picture which is growing uglier day by day. Governments seem to have lost its initiative, drive and direction. A crisis of character has enveloped the whole society emanating right from the leadership. Hypocrisy, dishonesty and an increase in corruption have assumed an alarming
proportion. There is a strong nexus between politicians, bureaucrats, and criminals which is very strong, well-knit and powerful. Population explosion and consequent problems for governance like illiteracy, poverty, poor health, shortages, slums, unemployment, moral, ethical and socio-behavioural downfall and the malfunctioning of all the three wings of the government, the executive, legislature and the judiciary are the realities of the present day social, economic and political order. Corruption is affecting everyone.

In addition, corruption in all societies is as old as power itself. It is common in all countries irrespective of their stages of development. Its nature, volume and dimensions differ largely from country to country and from one environment to another. Naturally, India is not free from the evils of political and bureaucratic corruption. In India, corruption has become a social phenomenon. The nature of political corruption is wide-ranging and multi-dimensional. Broadly speaking, it is the misuse of political power for private profits. For this, money enters as a secondary factor in the anatomy of corruption.

Amongst the major causes of corruption, the important ones are greed, circumstances, opportunities and other temptations that include party funds, money for patronage, apprehension of loss of office and so on. In an expanding economy, on account of rapid industrialization and growth of an acquisitive society, a conflict of values inevitably occurs. The age-old concept of values of judging people by what they are rather than by what they have crumbles and people easily succumb to corruption. The rising cost of living and the wide gap between real wages and the opportunities to make quick money encourages corrupt practices among public servants and businessmen. Other reasons are consumerism and the desire for an ostentatious lifestyle and evil social practices.

Governance:
Governance is the process of exercising different forms of power (social, political, economic and administrative) within various institutional arenas. This concept has grown over the last fifteen years and gone beyond the conventional confines of the nation-state. The Human Development Report, for instance, describes governance as “the exercise of power or authority -- political, economic, administrative or otherwise -- to manage a country’s resources and affairs. It comprises the mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences”. It's definitely not just the effective management of economic resources, as the World Bank believes. It's about freedom, human rights, public accountability and people's participation.

Governance is the site of unequal and often unjust power relations, where patriarchy is reinforced through various forms of marginalization and oppression. The assertion of rights by the people and marginalized groups demands a transformation of power relations within the arenas of governance. This means that accountability is a prerequisite to realizing rights, particularly socio-economic rights. From this perspective, a theory and practice of governance based on five pillars -- distributive justice, human rights, public accountability and transparency, peoples’ participation and citizens’ legitimacy need to be built. These five principles together constitute the notion of people-centered governance.

Governance is – or should be -- of crucial interest to citizens, particularly the marginalized, because it is the arena in which public policies are formulated, legitimized and implemented. It provides institutional means to claim rights and seek justice through justice delivery systems. It is the interface through which citizens mediate and interact with
the State and seek accountability. It also represents the macro and micro power relationships within the social, political and economic arena.

Fighting poverty and injustice requires the realization of rights and justice through accountable governance. It becomes accountable only when people are empowered to ask questions, seek justice and claim participation. Such accountable governance and empowerment of the marginalized are integral to claiming rights and fighting poverty and injustice. It is this people-centered and rights-based (political) approach to governance that should inform advocacy for governance.

**Corruption:**

Corruption is defined as moral depravity and influencing through bribery. It is a deep rooted menace in the Indian society having soaked into every sphere of life. Even the highest offices of political and judicial sphere have been tainted by the evil of corruption. The moral fabric of the society has been destroyed as even education and religion are not free from the cancer of corruption. It breeds at the top and gradually filters down to the lower levels, eating into the vitals of society. Thus, what exactly is corruption? Like all other complex phenomena, it is difficult to define. Essentially, it is the abuse of trust in the interest of private gain. The philosophy of corruption operates interestingly. So long as there are people to offer bribe, there are also people to take it, directly or indirectly. Human beings rationalize the situation and console themselves that easy money is a human weakness; difficult to overcome. The standard of living is constantly rising and soaring prices of essential commodities have broken the back and people indulge in corrupt ways for their own profit.
Corruption manifests itself in a number of forms and is not necessarily confined to accepting illegal gratification. Apart from this, other forms are: showing favors, where the recipients do not deserve them legally misusing official machinery, good and other services for personal benefit, causing loss to the exchequer by violating prescribed rules, regulations, guidelines etc., in order to get financial gains. Failing to exercise the same caution and prudence which normally an individual would do while spending his money while expending public funds.

When there is complete degeneration in the entire system, it is very difficult to single out any individual and punish him. Corruption is spreading through out the country in almost all spheres of national life like cancer and it is a herculean task to remove this malady; as it has become so much a way of Indian life. But, if not now, the problem would become more acute and beyond any solution.

**Good Governance:**

Development practitioners are faced with multiple perspectives and perceptions on governance. Which of these really make sense? The dominant discourse of ‘good governance’ is promoted by the World Bank and other proponents of neo-liberal economic globalization. ‘Good’ governance is primarily a way of effectively managing economic resources; it is largely apolitical in nature. It’s a techno-managerial approach that focuses on decentralization, transparency and report cards as ways to ensure macro-economic management.

On the other hand, a rights-based approach to governance is about power-relationships within and beyond institutions and is based on the notion of accountability and answerability.
The good governance paradigm fails to question the unequal and unjust macroeconomic framework that serves the interests of rich countries and rich people and perpetuates inequality and poverty. It does not emphasize the notion of freedom and rights. Hence, the good governance paradigm fails to ensure accountability from global institutions like the Bank, UN, IMF, WTO and G-8. Malaysia and Indonesia were supposed to have good governance according to the parameters of the IMF and World Bank, though its citizens were denied freedom.

**Global Governance:**

There are new supranational and international institutions that wield more power than governments in the developing world. These institutions, particularly the IMF, World Bank, WTO and various regional banks (such as the Asian Development Bank) tend to seek accountability from national governments for the economic and political conditions imposed on them. The problem is that when unaccountable and undemocratic organizations like the World Bank or IMF seek accountability and ‘promote’ democracy, they promote unequal and unjust power relations that thrive on a patriarchal relationship between the rich and poor countries or the old colonial masters or new imperialists and their erstwhile colonies of poor countries. Democratizing global governance institutions and accountability and transparency are therefore part of our struggle against unjust institutional systems that perpetuate poverty.

Civil Society Organizations (CSO) accountability cannot be a one-way street. CSOs must be accountable too. The legitimacy of CSOs and Non-Governmental Organizations (NGO) is being increasingly questioned as many of them are perceived as ‘private initiatives’ (enterprises or businesses) for the public good. Many of these
institutions are seen as private contractors for public development. A rights-based approach requires that all organizations that work with civil society or within civil society need to be transparent and accountable. This can only be done when there is a governance system that promotes accountability, transparency, rights and participation: all these together provide moral and political legitimacy to such organizations.

**Indian State of Affairs:**

Currently many Asian countries are plagued by the cancer of corruption. Anything that will be done in a society will be under attack if that society is totally in the grip of corruption. The forms and manifestation of this concept are beyond description. New methods are continually being found. Each new law or rule dependent on government officials for enforcement creates new avenues of corruption.

In countries like India, corruption is the most extortive type and also affects every walk of life. The constituent elements of it are cheating and stealing. As it takes the extortive form, it is stealing by force through compulsion of the victim. Where it concerns bribing a functionary, the latter is involved in theft. No society or culture condones stealing and cheating; actually all cultures condemn these activities. Indian society has become one of the most corrupt societies anywhere in the world. It has now reached proportions where it is menacing and threatening the democracy itself, because money power really makes a mockery of free elections. And so with the growing clout of money power, growing accounts of rigging even on a state wise basis and growing violence, the situation in the democracy becomes dangerous. If these trends are allowed to continue it can well result in the erosion of the accountability, credibility and legitimacy of the democratic process.
Since the early 1980s, two different kinds of forces on the social and political ideology have been felt throughout the world. On the one side, there is pressure of rolling back the state for the sake of achieving economic efficiency. On the other side, there are increasing demands for greater social and political action. And this is by resisting environmental degradation, empowering women through their assured representation on decision making bodies and protecting the interest of the socio-economically vulnerable, marginalized sections of the society. From this, it is clear that the concept of “Good Governance” is primarily based on these two views. Moreover, the World Bank has identified three distinct aspects of governance such as: the form of political regime, the process by which authority is exercised for managing a country’s economic and social resources for development and capacity of Government to design, formulate and implement policies and discharge functions.¹

This definition of governance has been further expanded by other agencies that includes the degree of democratization to prove legitimacy of the state, media, freedom and transparency in administration to promote accountability of the Government, people’s participation in administration to establish rule of law, respect for human rights and finally competence of the government to formulate policies and deliver services to the people.

In the Indian context, the concept of good governance is not new. Exploration of the annals of history will reveal the presence of good governance in Kautilya’s Arthasastra. Kautilya’s principles of state administration enunciated about more than 2300 years ago bear striking resemblance to the modern day welfare state model in respect of ideology, ideas, functions, tasks, duties and socio-administrative organizations. It is surprising that

even in those days; King’s (or Rulers) duties and obligations were oriented towards holistic interests of the state and society. Diversified fields like economic and financial administration, trade and commerce, agriculture and manufacture, mining, transport, village development, land use, taxation, punishment and dereliction of duties were assigned to Superintendents of States and other employees other than material welfare; Kautilya was also interested in moral welfare. Two ancient epics, the Ramayana and Mahabharata have paramount importance even today in terms of basic principles of statecraft and governance.

Further, it is to be noted that the Mughal rule saw some drastic changes in the Governmental system, combining certain features of Arabic administrative concepts with certain classical Indian practices. The Arabic pattern is reflected in the separation of two political functions, namely, ‘Governorship’ as the head of the monetary and police, and treasury as the head of the revenue, finance etc. And the Indian practice was to collect land tax regularly. During the British rule, good governance was narrowed down. This period saw the growth of Indian railway, post, telegraph etc. In the social sector, India has experienced the prevention of Sati, Child marriage etc. No doubt these were the stepping stones of good governance. Notwithstanding the euphoria of globalization and economic liberalization, we are plagued with fears of impending doom as never before. The nation is confronted with a constellation of crises of unprecedented magnitude. Nothing is, however, more disturbing than the crisis of criminalization of politics. People are losing faith in the system, in representative parliamentary polity. In a democracy, the saddest thing that can happen is that of the representative character of the representatives of the people itself becoming suspect, political parties losing legitimacy and the electoral processes getting

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2 Ibid, p. 108
polluted with the much talked about mafia, money and muscle power. In the words of the former Prime Minister of India P.V. Narshimha Rao, the present society is witnesses to “criminalization of politics” and “politicization” of crimes”. According to him, in large parts of the country, Marx is at last getting vindicated that the State is really withering away. There are no signs of any functioning governmental institutions. The entire administrative machinery is in shambles. Mafia gangs terrorise and rule. Even the thin dividing line between the politicians and criminals has disappeared. This was not for the India for which the forefathers fought. The present citizens are in fact sitting on the debris of the dreams of founding fathers of the nation.³

In the independent India, the test of good governance was reflected in the goals and objectives of the Government, in its policies and programmes, in the manner of their execution and in the results achieved. The preamble of the Indian Constitution broadly reflects the goals and ideals of the Indian State. To recapitulate the most important goal is to secure social, economic and political justice for all its citizens. In fact, it summarizes the very purpose of any welfare state. The several aspects of this goal and the way to achieve them have been more explicitly spelt out in Part-IV of the constitution namely “Directive Principles of State Policy”. While pursuing the socio economic objectives, the valuable Fundamental Rights guaranteed by the Constitution to all its citizens are also protected. Further, the Government respects the dignity of the individual and promotes national unity. To ensure transparency, the Government has recognized right to information. In spite of these measures the output is meagre.

Now the question that arises in the researcher’s mind is whether citizens are now about to witness the derailing of Indian politics? Every citizen hopes that some political leaders with morality and ethics will emerge and to save the nation with divisive forces from a critical juncture. Can the citizens look forward to a better future, with aspirations towards a more egalitarian society? However, Gandhiji dream certainly seems to have become true. It is time that the present generation gives wings to its imaginations and starts preparing the ground of their dreams. In addition, it is true that the future is always dreamt with the present realities in mind, which indirectly states that all citizens are the representatives of a great civilization.

**Statement of the problem:**

Corruption has become a major issue of political and economic significance in recent years. This has led to a resurgence of interests in analyzing the phenomenon and the diverse forms, which assumes in developing nations with an expectation that democratization and economic liberalization offer potential routes to deal with the problem. Governance process and Anti-corruption strategies range from institutional reforms through the concerted efforts at the national and international level; but the efficacy of these approaches has not been subject to careful empirical research. Thus, to study and understand the comparison of corruption both at the regional and national level in particular and at the global level in general in the context of good governance is always interesting and assumes immense significance.

Corruption at the micro level at present has made politicians feel that they need not worry about the non-devolution of powers since they get huge amounts of money while administering developmental works. Likewise, development functionaries also thrive on
corruption. It is to be noted that the nexus between politicians and the development functionaries is strong in India. In the development process, the actions of the politicians and the development functionaries have affected people in rural areas. The middle class and the upper middle class have not found ways and means to escape from these corrupt practices of the politicians and the officials. Sometimes they are also involved in the vicious cycle of corruption. But, ultimately, the last man, the poorest of the poor is the victim and he is found to be falling into the trap of corruptive officials. It is a paradox that, while India has more number of programmes for the poor, underprivileged, marginalized and weaker sections than other countries, the poor have become poorer while the rich have become richer and richer. How can this happen? Is it possible to have a system of self regulation for the management of the development process at the grass-root level without much control from central administration? Is it possible for people at the grass-root level to govern themselves? To what extent does the state machinery ensure honesty in the development process at the grass-root level? Are there any viable methodologies showed and adopted on the local regulation of the development process in a reasonably corrupt-free atmosphere? What are the conditions for the emergence of such a corrupt-free governing system? To find out the answer to these questions, the researcher has gone through various literatures.

**REVIEW OF LITERATURE:**

Corruption has penetrated into our polity, bureaucracy, business and finally into the cultural fabric of the society. It is a ubiquitous phenomenon, with it tentacles spread across the world. It has struck deep roots in every soil from the macro to the micro level. Eradication of corruption is, therefore, a herculean task, haunting the minds of planners and policy-makers in every country. In high places, it even brings down the curtain on
governments and causes disaster to the economy. Such instances are widely projected in the media and masses are well informed about these. It also exists at the micro level, especially in the process of people availing the benefits of welfare and development schemes. This is rampant in the vast expanse of our rural areas and the poor are the worst affected by this menace.

With regard to this, the present study is concerned with the process and reforms in governance with special reference to corruption and governance in the context of the Indian political administration. Political scientists and researchers have made significant contributions in this field through articles, books and research papers. Among the available literature, the most relevant books and articles have been reviewed in this chapter and it is thematically arranged into various sections: Governance and Corruption, Governance and Administration, Governance and Good Governance, Governance and Globalization and Governance and Civil Society.

Governance and Corruption:

Sten Widmalm (2008) in his book *Decentralization, Corruption and Social Capital: From India to West* provides fresh perspectives and insights on what may be the world’s largest ongoing decentralization reforms--the Panchayati Raj reforms in India. The book also describes the relationship between decentralization, corruption and social capital. The author advocates for collective action theory which will help in illuminating corruption. Previously social capital was thought to be a hindrance to development, but he never accepts it, rather according to him, social capital can work in favour of democracy.

various issues relating to corruption and he also points out how it will be a danger and threat to democracy. According to him, if the elite are corrupt, the system may not be trusty to the citizens. Therefore, he argues that corruption at a lower level in the political hierarchies has to be analyzed and given a viable solution so as to improve the economic condition of the poor people. In the process, he placed the citizens above all, as they play a vital role in a democratic set up.

In *Corruption in India: The Road Block to National Prosperity*, the author N Vittal (2003), the former Chief Vigilance Commissioner shares his thoughts, ideas and experiences on corruption. He discusses the various aspects of corruption and other related issues. The suggestions he makes for the countering of corruption at the different levels are pertinent for the researcher.

He notes: “Fighting corruption is like fighting against War. War is too dangerous a matter to be left to the general. Fighting corruption is also an important matter not to be left only to agencies like the Central Vigilance Commissioner or the Central Bureau of Investigation”. Mr. Vittal, therefore emphatically points out that it is necessary to sensitize the entire population of the country and bring together every citizen, who wants to fight corruption. According to him, if the citizens will be aware and alert then corruption can be checked.

N. Narayanasamy, M.P. Boraian and M.A. Jeyaraju (eds) (2000) in their book *Corruption at the Grassroots: The Shades and Shadows* are concerned about corruption and its ramification in every sphere of the society i.e. social, political and economic. All the articles written in that book dwell upon the causes and consequences of corruption on administration, economy, political system and government, morale of the public, the
effectiveness of the existing policies and programmes designed to control corruption at the grassroots.

Rose-Ackerman Susan (1999) in his book *Corruption and Government* notes that ‘People are frustrated with corruption and suggests that expressions of toleration sometimes reflect both resignation and fear of reprisals against those who complain’. According to him, Corruption is rampant where it is ethnically accepted.

In continuation of his argument, he points out the importance of ‘Public Pressure’ through awareness building among affected people and extending the act to all others too so as to pressurize the system to look into the matter seriously and make the corrupt people fearful. And in a decentralized system, it is easier to reach the officials concerned. So proximity between citizens and officials is a factor that may help to reduce corruption. But for this to happen, there seem to be two other prerequisites. First, citizens should have the right ideas about what corruption is – relative to knowledge levels and the culture- and second citizens should relate to each other in such a way that makes collective action possible.

John Girling (1997) in his study observes that corruption does not disappear as countries develop and modernize instead; corruption takes on new forms. He illustrates from case studies the three dimensions of the modern collusive corrupt system, that is functional or economic, dysfunctional or political and corruption that is offset by normative strength as in civil society. According to the author, corruption not only affects the society but also damages the democracy and its institutions. He advocates that if corruption will be checked, democracy will function well and its institutions will have efficient and effective function.
S. Guhan and S. Paul (eds) (1997) in their book *Corruption in India- Agenda for Action* focus on different aspects of corruption among Indian politicians and administrators and on the remedial measures. It is mentioned that the cancerous spread of corruption in India’s public life has become a matter of grave concern, which threatens each and every segment of the country. Though public awareness of this problem has increased over the years, significant progress has not yet been made in terms of adopting various remedies that can adequately deal with its magnitude and severity. They emphasize that corruption in India can only be controlled by systematically reducing the incentives and opportunities for interested persons who are interested to have some position, to which they are not at all fit. It has suggested four national agendas for control of corruption. These are: reforming the political process – by adopting decentralization process effectively, reconstructing and reorienting the Government machinery – i.e. the three organs legislature, executive and judiciary should be effective, efficient and less time consuming, empowerment of the citizens and creating sustained public pressure for change – like public awareness to citizens, by which they can raise their voice against any evil.

Regarding corruption as an issue of governance, Vinod Pavarala, Andrei Shleifer and Robert N. Vishny, argued how corruption is a major hindrance to governance, development and a threat to democratization.

Pavarala(1996) argues that corruption is not confined to any particular section of society. It is widely spread and differently experienced by different groups in the society. He analyses the notion of corruption as it is socially constructed by different elite groups in society and looks into the matter of politics of definition and anti-corruption and lastly the consequences of corruption.
Andrei Shleifer and Robert W. Vishny (1993), in their study present two propositions about corruption. Firstly, they argue that the structures of government institutions and of political process are very important determinants of the level of corruption. They argue that weak governments did not control their agencies which lead to high levels of corruption. Secondly, the illegality of corruption and the need for secrecy, make it much more distortionary and costly than taxation. According to them, these are the factors which lead to high corruption in some less developed countries and it is also costly to development. They argue that corruption slows down and is also a hindrance for development.

D. Arora (1993) in her article “Conceptualizing the Context and Contextualizing the Concept: Corruption Reconsidered”, places corruption in the context of state-society relations. She offers an analytical model for comprehending its realities. She conceptualizes corruption in terms of its relationship to: power and authority, law and policy and the public space.

Distinguishing between types of corruption – viz., coercive, collusive and non-conjunctive – she indicates five major strategies which have been carefully utilized by its beneficiaries to promote and sustain the system of corruption in various contents. These are: mystification, distancing, folklore, colonization and pacification. Efforts at eradicating corruption she suggests and addresses the task of diffusing the corruption-sustaining contexts and strategies, only then these efforts can become successful.

Nirmal Mukarji (1989) in his article “Decentralization below the state level: need for a new system of governance” visualizes how decentralization below the state level involves making a choice between bureaucracy and democracy, in the sense that it can mean either the delegation of administrative power to district officers or the devolution of
political authority to district governments. Further, according to him, decentralization below the state level can not be viewed in isolation from the larger issue of reordering relations between the centre and the states. He opines that democratic decentralization as an idea has gained wide acceptance, which has not been adequately recognized. The effective implementation of the idea also requires major changes in the system of governance.

G.E. Caiden (1988), in his article “Towards a general theory of Official Corruption”, presents an interesting and comprehensive form of official corruption. He states that there are many varieties of corrupt behaviour, for which multitudinous factors are responsible for contributing to it. The article reflects a wide variety of factors contributing to corruption, which includes- ideological, external, economic, political, socio-cultural and technological. According to him, corruption is a complex problem involving many different factors and forces. Apart from this, the author pointed out four types of corruption. They are- foreign sponsored, political scandal, institutionalized and administrative malfeasance. Public officials, politicians, representatives of donor and recipient countries, bureaucratic elites, businessmen and middlemen, petty officials and interested individuals are the main perpetrators of these corruptions.

K. S. Padhay(1986) in his book Corruption in Politics- A Case Study argues that though political corruption is a favourite topic for informal discussion among people, very little empirical work has been made on this specific topic. He says that political actors including ministers, legislators, office bearers of political parties and other political office holders are all involved in corruption, which caused the erosion of moral values as well as economic and social life of the country. On the basis of the commissions of Inquiry Act 1952, several commissions have been set up to inquire political corruption in India. The
Khanna Commission is one of the most important enquiry commissions appointed by the government. He has taken this commission as his units of analysis and following the case study method, he has tried to discuss political corruption in India.

His observations are: power tends to corrupt; creation of enquiry commission follows a common trend to be malafide, intentional and politically motivated; commissions are least effective in preventing corruption; the commission tends to be a fraud on the state exchequer; follow up actions are hardly taken on the basis of Commissions recommendations; and corrupt ministers tend to escape from the clutches of law without getting punished.

However, to avoid the above problems, the author suggests that the cases of corruption should go to courts of law through police instead of the Inquiry Commission. Special courts may also be established for this very purpose. Otherwise the Commissions should be vested with power to punish the corrupt politicians.

D. J. Gould and J.A. Amaro -Reyes (1985), in their research paper “The effects of Corruption on Administrative performance: Illustrations from Developing Countries” argue that the practice whereby some public money is illicitly diverted for private gain is present to some degree in all societies. However, according to them, corruption is widespread and its occurrence in developing countries has raised substantial concern. Developing countries, in particular circumstances- rapid economic and social change, strong kinship and ethnic ties, new institutions, overlapping and sometimes conflicting views about what is proper public behaviour- appear to contribute to corruption saliency. The authors note that government monopoly of economic activities, combined with conditions of political softness, widespread poverty and socio economic inequalities, ambivalence towards the legitimacy of governmental organizations and systematic
maladministration, may be particularly conducive to corruption as well. Corruption counteraction measures may range from commissions of inquiry, ombudsmen to investigate citizen complaints, course and seminars, to simplification of administrative and financial procedures. However, their success will depend on the gradual creation of political and public climate favouring impartiality and the wisdom of specific governmental actions.

**Governance and Administration:**

Mohit Bhattacharya(2004) in his book *New Horizons of Public Administration* has narrated how the shift has taken place in public administration from a conventional mode of functioning to good governance. He has elaborated how changes at the global level have necessitated the same in the field of administration. He had clearly demarcated the differences between the old public administration and the new public administration. He has sketched in detail the involvement of civil society organizations in the governing process.

Thomas R. Dye(1998) in his book *Understanding Public Policy* has elaborated the reasons for studying public policy which will increase our knowledge of the society. It provides theoretical justification to evaluate the public policy of the Government in India. As it is known, public policy serves the interests of both elite class and the common mass. According to him, public policy is the better instrument which helps not only in building a welfare society but also helps in bringing better governance in a democratic set up.

D. Bandyopadhyay(1996) in his article “Administration, Decentralization and Good Governance” clearly illustrates the fairly sound format of good governance in an active parliament and state legislatures, an independent judiciary, free print media, a
constitutionally guaranteed system of decentralization and a small but growing and vigilant civil society. According to him, the values which are at the foundation of our republic are under assault through the process of liberalization. He advocates that unless the individuals reorient their economic and social policies on the basis of the principles enshrined in the constitution, then the substance of good governance will not be observed.

David Osborne and Ted Gaebler (1992) in their book *Reinventing Government* have captured the new changes in the functioning of governments all over the world. By coining the word ‘entrepreneurial government’, Osborne has pointed the managerial responsibility of the government in delivering services to the citizens. They clearly illustrate the role and functions of both public sector and private sector. They have also said that the private sector is concerned basically about the bottom line, profit making; the public sector is answerable to everyone. According to them, whilst risk-taking is an essential part of the private sector management, the public sector manager abhors risk and uncertainty. They opine the reason for this is that there is zero-tolerance for mistakes or wrong decisions in the government. Their work has brought sweeping changes in the field of administration.

G.E. Caiden (1991), in his article “What Really is Public Administration?” based on research conducted on different countries on administrative failures and maladministration, attempts to construct a view of public maladministration which draws sustenance basically from the bureaucraticism process with its impact on administrative behaviour and organization. To evolve a proper theoretical framework, he presents an interesting and comprehensive typology of over 175 bureau-pathologies. Drawing support from research findings, the author endorses the view that these bureau-pathologies reflect not the failings of the individuals in public administration organizations but the systematic and organizational deficiencies caused by bureaucratic and complacency.
Governance and Good Governance:

Surendra Munshi, Biju Paul Abraham, Soma Chaudhuri (2009) in their book *The Intelligent Person’s Guide To Good Governance* are concerned with various issues of governance. It takes the discourse on governance beyond its self-inflicted narrow perspective by providing an integrated treatment of various relevant issues, for example, the role of the state or the idea of civil society. In carrying out a lucid analysis of a fluid concept, the authors argue that any serious engagement with good governance must go beyond an exclusive reliance on the state or the market and explore different modes of partnerships, including public participation, and it is relevant and indeed timely in the present crisis. According to them, good governance becomes more and more important with societies all over adjusting to the reality of the emerging world; the good governance discourse paradoxically seems to be exhausting itself. They suggest that it is the time to revive it.

M.G. Ramakanta Rao (2008) in his book *Good Governance: Modern Global and Regional Perspective* reflects briefly on major components such as participatory democracy, e-democracy, rule of law, consensus, economic efficiency, etc.

Apart from this, he covers various areas like corruption, public contracting and monitoring. The global priorities in these aspects are highlighted. Global and Regional legal instruments and non-legal action are also discussed by him. But he could not clearly picturise the initiatives undertaken by Transparency International, Transparent Society, and regional initiatives.

Governance- Good Governance and E-Governance. They try to present all facts relating to the new concepts of late 20\textsuperscript{th} century in a clear categorical and concise manner. The main aim of the author clearly stands out for new age of good governance which is coming through e-Governance. He places E-governance at the top and argues that it is a better instrument for bringing good governance. Though up to date information in their work for policy makers are presented, they do not mention how to implement it properly.

Neera Chandhoke(2003) tries to examine the pluralisation of the state, which shares power with various organizations, non-governmental organizations, international agencies and sub national governments. She questions the significance of liberal democratic notion of the state especially when it is enmeshed in a number of organizations. According to her, governance has thrown up major challenges for the liberal democratic processes. State has become just one and not necessarily the most important institution in governance. She states that the role of the state in governance is contextual as well as contingent. The civil society groups have also tended to see the domain of social associations as more important than the state for citizen.

Kanishka Jayasuriya(2001) examines the importance of governance programmes in nurturing new forms of political rule through a process of depoliticisation. He finds that the issue of governance reform is a donor driven agenda of aid agencies world wide. Even though it has limited success they are continually being promoted and implemented, with an attempt to create new modalities of political rule, forming the basis of new state strategies. In other words, though the author did not reject the earlier notion of governance he is highly optimistic about the adoption and implementation of new process for reforms in governance.
Sarah Joseph (2001) talks about the necessary requirements for good governance. She argues that emphasis should be on strengthening democratic institutions rather than by passing them through increased individual or governmental institutions. She identifies freedom of information, strong legal system; efficient administration backed by political mobilization of the disadvantaged through movements as necessary requirements for good governance. With the continuation of her argument, she notes that good governance espouses freedom of information, a strong legal system and efficient administration, backed by political mobilization of the disadvantaged through movements or political parties.

Leftwich (2000) in his work describes the origin and the emergence of the concept of governance. He has pointed out some of the reasons such as failure of structural adjustment, emergence of pro-democracy movements, and collapse of communism in Eastern Europe, as some of the factors to which governance is responsible. In other words, the author describes the causes and consequences of governance but did not suggest remedies or precautions for bringing better governance.

Tornquist (1999) in his work has made an attempt to find out various ways for promoting good governance. The main aim of the author is to sustain good governance in different sections of the society. For him, the opening up of efficient state institutions in consultation with cooperating people in civil society is most important for promoting good governance. The central point of argument is to find out how to promote good governance. He says that good governance can best be promoted if there are efficient state institutions, which will work in co-operation with the people in society. According to him, effective institutions with efficient staffs are highly needed to cope up with the people, by which governance process can be promoted and as well as maintained.
Gerry Stoker (1998) has outlined various propositions of governance which provides a conceptual clearance on ‘governance’. He focuses the concepts and issues of governance. According to him, governance can be promoted or maintained only by the help of various process/propositions which prevail in the society. He opines that the sustainability of governance will be there for ever. Society can not perform its functions without the help of governance.

O.P. Minocha (1998) in his article “Good Governance: New Management Perspective” has suggested following Four Ts and Four Ds. The four Ts are Technology Up-gradation (including information Technology); incorporating modern techniques of management to ensure effectiveness and efficiency; capacity building of public institutions, i.e., training of civil servants; and transparency and openness in public organizations. The four Ds are empowerment of citizens in general and vulnerable sections in particular (decentralization); empowerment of grass root functionaries (delegation); politico – administrative power (democratization) and privatization, contracting out and removing delays and rigidity in public organization (de-bureaucratization).

World Bank’s document (1992) “Governance and Development” states that “good governance is central to create and sustain an environment which fosters strong equitable development and its essential complement to sound economic policies.” While indicating so, the document identified three aspects of governance: the form of political regimes; the process by which authority is exercised in the management of a country’s economic and social resources; and the capacity of the government to design, formulate and implement policies and in general to discharge government functions.

In essence, the World Bank’s view of governance would place more emphasis on political accountability, regular elections to legitimize the exercise of political power,
participation by various social, economic, cultural and professional groups in the process of governance, rule of law independence of judiciary, bureaucratic accountability, freedom of information, transparency, efficiency and effectiveness in the administrative system and cooperation between government and civil society.

**Governance and Globalization:**

Joseph E Stiglitz (2006) in his book *Globalization and its discontents* opines that “Globalization is closer integration of the countries and people of the world which have been brought about by the enormous reduction of costs of transportation and communications, and the breaking down of artificial barriers to the flow of goods and services, capital, knowledge and (to a lesser extent) people across borders”. Being a critic, Stiglitz is aware that not only labour should move freely in order to match capital mobility but also the content and character of governance both at national and international level must improve and only then the discontents of globalization can be lessened and globalization can also work for benefiting the majority.

Jagdish Bhagwati (2004) defends globalization from the critics and argues that when properly governed, it is the most potent and powerful force capable of delivering more for both developed and developing countries. Like the economists David Hume and Adam Smith, Jagdish Bhagwati also understood the crucial link between globalization and governance. According to him, governance is the only instrument for the better functioning of a nation.

Thomas L. Friedman (2003) in his book *The World is Flat* examines the impact of forces leading to flattening of the world”, and argues that information technology, computer software and semiconductor have all changed the world permanently, for both
better and worse. He also argues that the pace of globalization is quickening and will continue to have a growing impact on business organizations and practices.

In continuation to this, he adds further that with interweaving technology, information and telecommunication system, the world has shrunk from medium to small thus enabling each one of us to move around the world further, faster and deeper and commodities are being cheaper than ever before.

**Governance and Civil Society:**

Civil society now is seen as a major partner in the promotion of the governance agenda and is expected to play a major role. Axel Hadenius and Fredrik Uggala, Gurpreet Mahajan and others argue that, the civil society in the present context is a major partner in the development debates and it has to play a significant role.

Iain Atack(1999) talks about the increasing prominence of non-governmental organizations as agents of development and raises normative questions regarding their involvement in the process. He suggests four criteria like representativeness, distinctive values, effectiveness and empowerment providing for legitimacy of Non-Governmental Organizations (NGOs). He observes the role of NGO’s in influencing the development policies of government and concludes by arguing that, NGOs and governments each have different roles and responsibilities in the development process. He places the civil society at the top by clearly distinguishing its role from government. According to him, civil society plays a major role for promoting governance.
Hadenius and Uggala (1996) trace out the importance of a vigorous civil society for democratic stability. Here, there is an attempt made to inquire about the internal structure of a well functioning civil society with a model for its relations with the state. Mahajan argues that since there is a loss of faith in the institutions of the state, civil society was expected to play an essential role for development. She also argued that since civil society organizations are part of the state and not out of it, creating conditions is necessary for projecting civil society organizations. According to him, civil society is with the system and within the system.

Michael Edwards and David Hulme (1996) review the impact of the non-governmental organizations and grass root organizations, programming, performance and accountability. They emphasize on how in promoting the “new policy agenda, donor agencies are keen to finance these organizations on the grounds of their economic efficiency and contribution to good governance. They give importance to the duties and function of civil society and their performance in promoting good governance.

Ajit Roy (1995) tries to understand the many forces that are eroding the autonomy of the state and how civil society can defend its autonomy. To examine this, he attempts to delineate the process of globalization and then to develop an approach to understand the concept of civil society. It also evaluates the contributions of civil society to the struggle against globalization. He observes the importance of state autonomy as well as the efficiency and effectiveness of civil society. According to him, civil society in contemporary days puts a lot effort for promoting and maintaining good governance.

From all these literature, it is understood that the problem of corruption, has now become almost part and parcel of the society. The first section ‘governance and corruption’ touches upon the concepts and the background and discusses power process and power
generation. The second section ‘governance and administration’ illustrates various forms of corruption with different types of participants, settings, stakes, techniques and cultural legitimacy. The third section ‘governance and good governance’ recognizes the effort taken by an institution to change the mind set of the people. The fourth section ‘governance and globalization’ describes that corruption is world wide; something should and need to be done. The last section ‘governance and civil society’ signifies that the consequences of corruption are such that any responsible citizen will think twice before he tolerates any corrupt practice. All the sections do not touch upon the moral aspects. The literature also did not mention about how to demystify service delivery and empowering citizens by informing them about their rights and what they should expect from the service procedures. Apart from this, the literature did not picturize the reform of the three organs i.e. the legislature, the executive and the judiciary so as to become intolerant to corruption and to support its eradication.

By going through the above existing literature, it is clear that better governance is needed for a better society. The intensification or the growing magnitude of interconnectedness in almost every sphere of social existence from the economic to the ecological, from the activities of Microsoft to the spread of harmful microbes, from the intensification of world trade to the spread of weapons of mass destruction is very much obvious and again it calls for better governance at various levels.

This work begins with a hypothesis that good governance is the major instrument for having a corruption free society.
Objectives:

The present study explores certain specific issues and puts forward the following objectives:

- To study and analyze the interconnections between governance and corruption;
- To understand the liberalization process and its purpose in controlling corruption;
- To identify the factors that accelerate corruption and also to categorize the indicators of governance;
- To examine the corruption level during the post reform period (1999—2008) in India;
- To make a comparative analysis on the levels of corruption in the developed and developing countries with special reference to India.

Scope:

Corruption has become one of the most important problems in various fronts. It has penetrated into the polity, business, bureaucracy and also to other segments of the society. It is much decried in theory but widely perpetrated in practice even by the most critical opponents of corruption. Also those who should axe the corruption and eliminate it are at the helm of affairs and are themselves soaked with it. Therefore, the scope for the spread of corruption seems to be more than attempts to prevent it.

This concept is perceived and explained by individuals differently and, accordingly, different notions have developed. It has been interpreted in two different dimensions, namely legal and moral. This study includes both. A very basic question arises and that is
to what extent do the activities of the government affect the livelihood of the people at present and the future? It is not just about giving bribes alone or doing favours to a few individuals. It goes beyond that. Actions of the individuals, group of individuals, organizations, group of institutions and functions of the governments are to be studied from a broader perspective especially in relation to the process of the implications and consequences of the actions taken for the wellbeing of the people. The main stress will be laid on seeing corruption from the point of view of governance reforms.

A brief description of this study would give an idea that contemporary strategies have to be devised to tackle forms of governance, at the local, national and institutional levels. This study intends to apply the indicators of governance to observe the structure and pattern of good governance of India in comparison to other countries and its effect on empowerment and implementation. This work focuses on political and institutional reforms in tackling the problem in comparison to the longer socio-economic changes that shape the form and extent of governance over time (1999-2008).

**Methodology:**

The present research work is a historical, analytical and descriptive study based on both primary and secondary sources.

The conceptual part of the research include a review of selected literature on World Bank documents, various government documents, conference proceedings and unpublished documents pertaining to governance and corruption. The descriptive and analytical part of the research include in-depth analyzes on governance indicators of the respective countries, corruption level of India in particular and global corruption in general. Apart from the above primary data, various text books, journals, articles and news paper and important
internet websites (especially Transparency International Website) are also extensively used to carry out the study. Special emphasis is also made in the study for comparing corruption levels in India and other countries during the post liberalization period.

**Plan of the Study:**

The present study is divided into five chapters including the introduction and the conclusion.

The ‘Introduction’ chapter gives a brief outline of the present study. Being the first chapter, it provides the conceptual framework of the study and outlines the content in which the origin of governance, good governance and corruption were raised as aspects of socio-political reforms on the local, national and international development debate. It also dwells upon review of literature according to the topic by examining and explaining the ideas of various scholars in the respective areas of the study.

The second chapter titled ‘Governance and Corruption: Conceptual Analysis’ outlines the concepts of governance and good governance, corruption in general and political corruption in particular, World Bank’s concept on good governance, and New Public Management (NPM) perspectives on governance reforms. The scope of governance and the significance of good governance are also lucidly elaborated in the chapter.

The third chapter entitled ‘Governance and Corruption: The Issues, Challenges and The Nexus’ discusses the current debates on corruption as an issue of governance and how corruption is being perceived as one of the consequences of excessive state intervention. On the other hand, from a political point of view, it examines how corruption is seen as a consequence of the unaccountable monopoly power of authoritarian regimes. Besides this,
it also attempts to show how corruption is discussed as a result of poor governance and vice versa.

The fourth chapter titled ‘Global Corruption and India: A Comparative Study’ outlines different types of corruption at the institutional levels in India. According to this chapter, the state intervention in all the sectors can be changed through privatization, deregulation, introduction of competition, transparency and accountability into political process and ultimately through a transition to a liberal democratic regime focused on human reforms. It also focuses upon the indicators of good governance through a comparison of India and three major powers and also its three neighboring countries. By analyzing this, the chapter also clearly makes a comparison of India’s corruption level (measured by TI) with developed countries, Scandinavia countries, SAARC countries, South East Asian Countries and especially with China during post liberalization period (1999-2008).

The Fifth chapter, being the ‘conclusion’ one summarizes the study with some observations. It sums up the findings by clearly analyzing India’s stand on corruption level during the post liberalization period and by comparing other countries too. In addition, it deals with various attempts made by the researcher in order to eradicate the problem. Finally it provides suggestions for attaining a corruption free society. The subsequent chapter deals with the conceptual analysis of concepts like governance and corruption.