CHAPTER – 1

CORRUPTION IN CHANGING SOCIETY:
CONCEPT AND MAGNITUDE IN INDIAN AND
INTERNATIONAL PERSPECTIVES
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CONCEPT OF CORRUPTION IN CHANGING SOCIETY, MAGNITUDE OF PROBLEMS IN GOVERNMENT OFFICES AND CORRUPTION IN INTERNATIONAL SCENARIO.

OVERVIEW:

Etymologically the word “Corruption” comes from Latin term “Corruptus”. It’s literal meaning is broken object. Conceptually, corruption is a form of behaviour which deviates from ethics, moral values, culture and tradition. Transparency International defines corruption as the use of one’s public position for illegal private gains. It is the abuse of one’s power for personal gain. Lebanon accepted the following definition in respect of corruption: “Corruption is the behaviour of private individuals or public officials who deviate from set responsibilities and use their position of power in order to serve private ends and secure private gains. ¹

Webster’s 3rd New International Dictionary defines corruption in the following manner.

¹ ACIR,1999
It means impairment of integrity, virtue or moral principle, inducement (as of a political official) by means of improper consideration to commit violation of duty.

In Chamber 20th Century Dictionary, the meaning of bribery and corruption defines as follows:-

"Bribe means something given to influence unduly the Judgement or corrupt the conduct; allurement to influence by a bribe: to gain over to practice bribery: bribery means act of giving or taking bribery."

The United Nations global program against corruption defines corruption as "abuse of power for private gain".

Hon'ble Justice I.D.Dua defines corruption as "the corruption is the deadliest enemy of every free civilized society; more so in an equalitarian welfare democratic set up like ours. Not only does corruption in official and semi-official sphere hit the economically and socially low strata of society harden than comparatively better placed citizens, but it also tends to breed dislike for and want of faith in the set up which tolerates corruption. And the longer corruption is tolerated in a political set up the wider and deeper its tentacles spread, with the result that even the agency created to root out corruption may have to be closely watched in its activities.

Supreme Court interpreted corruption in M.Narayana Nambiar v. State of Kerala2 bribery which means the centering of benefits by one upon another in cash or in kind to procure an illegal or dishonest action in favour of the gainer.

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2 AIR 1963 SC 1116
Corruption includes bribery but it has wider connotation. It takes in use of all kinds of corrupt practices.

Mr. Kofi Annan, the then Secretary General of UNO made statement on the adoption by General Assembly of United Nation Convention against corruption which is furnished below:

"Corruption hurts the poor disproportionately by diverting fund intended for development undermining a Government’s ability to provide basic services, feeding inequality and injustice, and discouraging foreign investment and aid."

Working definition of corruption has been provided in Art. 3 of Civil Law Convention on Corruption. Corruption means requesting, offering, giving or accepting, directly or indirectly, a bribe or any other undue advantage or prospects thereof, which distorts the proper performance of any duty or behaviour required of the recipient of the bribe, the undue advantage or prospect thereof.

Corruption has entered in to all sphere of society. It emanates from all levels of administrative set up and it is now a global phenomenon. The decline of moral value and cultural heritage in all spheres has led to the birth of corruption. It is quite difficult to expect society free from corruption due to reasons that the persons who are to curb corruption are not serious in establishing reforms due to red tapism and human greed is the potential cause of corruption. Due to such activities amongst corrupt persons, whole nation is
passing through kind of moral crisis. Corruption erodes the very vitals of the entire society. Because every organization should have certain basic norms, duties and procedure. It is said that nothing in the world could be achieved without curbing menace of corruption. The biggest enemy of the people is the corruption. In Public administration, if ethics and morality is lost, everything is lost. There is code of conduct for government servant but there is no moral code for ethics for government servant. First of all, one has to build character. Unless we pay more attention to moral value and character building, things are likely to become worst

A. HISTORICAL ASPECT OF CORRUPTION:-

Corruption always existed in one form or other. According to Senator Douglas, the corruption was prevalent in British public barely 100 years ago and in USA till the beginning of 20th century, it can be brought down but it is not possible to eliminate as a whole or to attend at zero level. In the primitive and medieval societies, scope for public authority was very limited. Some authorities existed for collection of revenue and administrative justice. When they are loyal to the existing method, they amassed wealth and such wealth has been obtained by depriving people of society. Due to wrongful gain, they were praised instead of punishment. Corruption amongst public servants has been there from time immemorial although scope, dimension, textures etc. have been changing from time to time and country to country. According to Kautilya’s Arthasastra, there are 40 ways of embezzlement. What is realized earlier is entered later or what is realized later is entered earlier. What should be realized is not realized and what is difficult to realize is shown as realized. What is collected is shown not collected. What
is realized from one source is shown realized from another source. What is payable is not paid. What is not payable is paid and not paid in times. What has been taken into treasury is removed. What has not been credited is shown as credited. Price of commodities enhanced, price of commodities lowered. Making use of fake weights and measure, deceptive in carrying all these are several ways of embezzlement. This has been possible due to inaction on the part of government servant.

Kautilya further says in Arthasastra that just it is possible not to taste honey or poison placed at the tip of tongue, so it is impossible for a government servant not to eat up at least a bit of king's revenue. Just as fish moving deep under water cannot be possibly found out either as drinking or not drinking water. So, government servant employed in the government work cannot be found at (while) taking money for themselves. It is possible to ascertain the movement of birds flying high up in the style but it is not possible to ascertain the movement of government servant of this hidden purpose. Government servant's ill-gotten money is required to be recovered but it should also be transferred from one work to another so that they cannot misappropriate government money.

Since dawn of independence, there had been substantial increase in the peddlers of influence. The anxiety on the part of common man to avoid delay had encouraged which had given the birth of speed money. We know that justice delayed, justice denied. Delays have demoralizing effect on officers involved as they remain under cloud. Delay in executing the work is main cause of corruption. In the primitive day, corruption used to take place when people wanted to get wrong work done but today speed money is to be paid even to get the right thing done at time. To avoid such dilemma,
substantive decision is to be taken and Offenders should be prosecuted and no indecent haste is shown with a view to oblige contact men. War time controls scarcities etc. provided ample opportunities for bribery, corruption and favoritism and corruption reached at the apex level during 2nd world war.

Prior to independence, corruption was confined to revenue, police, motor vehicle, excise, and PWD. During that time, lower status of people having low income group were prone to corrupt practice. After independence due to development of scientific and economic progress, larger opportunities were provided for those who were interested in easy money. And the effect of wide spread corruption delay and inefficiency, negligence and apathy, has led to the birth of gloomy future.

After departure of British, came another raj of political leaders are to be precise ministers. Most of the ministers have to depend on bureaucrats for smooth running of day to day administration. Due to lack of education, they fail to understand intricacies of administration. Report says that 1/3rd Member of Parliament have so many criminal backgrounds. Besides, most of parliamentarian has no such academic background. Due to their lack of education, bureaucrats who are highly educated persons in exchange take advantage of it and tried to make illegal utilization or misuse of power and position.

Corruption has also been flourished due to Chinese aggression, world war, Indo Pak War, Bangladesh War. In addition to such external aggression, flood, draught, earth quake, tornado and Tsunami have been added to such problems.
The Scope for bribery and corruption amongst public servants had considerably increased during Second World War and there were golden opportunities for the unscrupulous officers to had amassed huge wealth during that period.

**B. CORRUPT BEHAVIOUR OF PUBLIC SERVANT:-**

Public servant obtains gift or costly thing from general people. Public servant takes bribe in connection with official work. The existing law on corruption attaches importance to both the preventive and punitive aspects. It is true that the term corruption has a very wide connotation. Following are some example of corrupt behavior amongst public servant³.

a. Acceptance of bribe as reward for work performed in official capacity from a person who is in anyway associate with his official function or from subordinate constitute corrupt act.

b. When public servant misappropriates public property to his personal use. This is corrupt act. Such type of misappropriation of public property may be permanent or temporary in nature. The persons who are working in cash for a moment to meet some personal need may be

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³ Facets of Vigilance- Prevention of Prosecution- K.L.Malhotra
termed as misappropriation or as embezzlement of cash from government fund.

c. When person occupying high post obtain favor in respect of employment of his son in an organization in which such public servant has got official transaction. When he obtains any object or pecuniary advantage or for that matter may advantage illegally, this amounts to corrupt act.

d. When public servant misappropriates government property for his personal gain, there is strong presumption of corruption.

e. When public servant obtains property and thereafter misappropriates it. It is criminal breach of trust which amounts to corruption.

f. Failure to follow conduct rules on the part of public servants and failure to follow these by corrupt officers is met by major or minor penalty.

g. Misuse of official power, though not vested, amounts to corruption.
h. When public servant takes loan for purchasing any article from person with whom he has got official transaction and this act may amount to corruption.

i. Accepting gift without taking permission from department amounts to corruption.

j. To disobey rules which help government servant or citizen in avoiding tax to be paid to government is a corrupt act.

k. To do an act which is not permitted by law amounts to corruption.

l. Refusal to do duty on some plea, who is supposed to do, amounts to corruption.

m. Refusal of police officers to accept FIR/ GD to protect criminal is a corrupt act.

n. To disobey existing rules may be corrupt act if not calling for tender in case of bulk purchase.

In India, we don’t have uniform code of ethical value for all classes of people irrespective of their status though there are so many rules applicable to public servants. Since there is no code of conduct for law makers, committee on Prevention of Corruption suggested that code of
conduct for Minister including provisions suggested for public servants relating to acquisition of property, acceptance of gift, disclosure of assets and liabilities should be drawn up. Prime Minister & Chief Minister should consider themselves responsible for application of code of conduct. The above committee recommended following suggestion

C. QUANTUM OF CORRUPTION IN GOVERNMENT DEPARTMENT INCLUDING RAILWAY:-

Scope of corruption is greater where major decisions are taken like assessment and collection of taxes, obtaining license, approval of work and acceptance of supply. Certain percentage is paid to the officials to get the work done and it is done in calculated manner so as to extend share of such money from lower level to higher level of administrative set up.

Tax evasion, inferior performance of construction, bribe etc. are some example of white color crimes. Corruption at ministerial level is subtle and invariably a difficult task to prove. According to Das Commission summary of report against S.Protap Singh Kairon, he had brought Punjab to its verge of ruin by his systematic mal administration. Since independence, there had been phenomenal increase in the number of peddlers of influence. The anxiety on the part of general people to avoid delay had encouraged the practice of speed money. This has become common type of corrupt practices, particularly in respect of granting license and permits. Speed money is also paid in respect of granting ration card, BPL Card, mutation certificate, though

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amount paid in such cases are not so high. In everyday life, corruption means that a civil servant abuses his authority in order to obtain an extra income from public. Corruption is the occasional acts of dishonesty on the part of civil servants. Like corruption, nepotism is also misconduct. Public servants with inadequate strength of character tend to succumb to temptation by traders who are willing to and capable of corrupting public servants by providing scope and temptation to misuse official position. In the Income Tax department, the tax payers are shown undue favors in the assessment, penalties, appeals, recovery etc. and by delivering and causing harassment to gain favors from tax payers.

Whether it is in the ports or whether it is in service department, a huge amount of civil engineering works like construction of shop, building, bridges, metro railway project, school accommodation for the staff and town ship have to be undertaken for service of other department. At present real estate business has been flourished. Multistoried building has been constructed. Promoters with the blessing of ruling party are being enriched at the cost of public exchequer.

It is to be mentioned in this connection that dams, bridges and building which were constructed hundred years back stood even today without crack and damaged because of quality of materials where as in the present-day society, quality of work in such construction of dams, bridges and building is far from satisfactory since structure constructed at present day society especially building & bridges starts leaking and cracking even before inaugural ceremony. Poor quality of materials has proved to be in effective. There is code of conduct for government servant but there is no moral code for
ethics. First of all, one has to build character. Unless we pay more attention to moral value and character building, things are likely to become worst. Recently Kolkata Port Trust demanded hefty sum in the form of bribery from a organization to finalize tender papers in respect of allotment of vacant space inside Haldia Dock.

Critical Zones of corruption indicates more opportunities for corruption than others. In an atmosphere of scarcity individuals bid for goods and services with offer of illegal gratification so that the deciding officer may twist his discretion in their favor. Discretion is vested in officials in far excess of their ability and capacity to resist temptation. They possess power far excess of their income. Discretion should be exercised reasonably and it should not be arbitrary. Influence is pressed into service by pleasing political bosses for obtaining promotion. There can be no corrupt official without men willing to corrupt them.

Elaborate machinery exists for scrutiny of qualification, antecedent etc. for non political administrative personnel but for persons in higher political levels there is virtually no such machinery. Low wages combined with inflation lead to birth of corruption. There should be adequate arrangement to get rid of an employee who had no good reputation without conducting formal enquiry. Corruption has not actually comedown, it is widespread and has touched middle level and now has entered into upper level. Social elite has become highly materialistic. Even corrupt people do not suffer moral depravity.

The aforesaid examples are only few instances of corruption in Railways some practices are adopted in connection with allotment of wagon,
booking of perishable and non perishable goods and also awarding contract. Certain percentage is also paid to the officials for acceptance of store items of inferior quality. Admitted amount which should have been paid after performance of contract is not paid and such payment is made after the finalization of award passed by departmental Arbitrator with substantial amount of interest. It has been observed that in most of the cases, amount of interest exceeds admitted amount. As a result, lot of government exchequer has gone into astray. Due to procrastination of unscrupulous officers, interest is paid to contractor and certain percentage is paid to such official. While awarding contract in the Railway organization, fixed percentage is paid as a practice by some dishonest officers. In most of the cases, failure to pay bribe money results in difficulty and cause delay in making payment of bills. But it is not always the government servants who take leading role in the matter. Dishonest contractor and supplier, who also want to deliver substandard materials, are ready to spend portion of illegally earned money.

There are some critical zones of corruption. Sometimes artificial shortage and scarcities are created to facilitate the demand for illegal gratification. It has been observed that rules are misrepresented or false information given about restriction and quote limitation. Sometimes advance information is given to a friendly firm of requirements and to see that the firm's tender is the lowest. The discretion to reject the lowest tender for certain specific reason is abused. Import and export control organization is another critical zone of corruption. Import license are sold at a premium. Corruption and lack of integrity are rampant in obtaining quote certificates, essentially certificate of license and their utilization. Favors are shown to the contractor by splitting the contracts so as to avoid sanction from higher authorities and to bring them within their powers.
The corruption in Engineering Department prevails from top to bottom of the Organization. Similarly from initial stage of investigation to completion stage, there are different stages which are as follows:

a) Selection of site b) Preparation of estimates c) Issue of sanction d) Contract and purchase of material e) Execution of work f) Arbitration.

In Railway Organization, in most of the cases it has been observed that site is not provided to the contractor as a result matters gets delayed resulting into the escalation of price. Most of the Inspectors deputed for the purposes fail to carry out field investigation properly and many a times, estimate are made on the basis of inadequate data without carrying out detailed investigation. It has been observed that many times there will be no compromise between actual data and actual estimate resulting into cost of escalation. This has led to birth of numerous claims by the contractor resulting into several disputes. For most of the contractual work, sanction comes from government based on the estimate and cost benefit ratio submitted by the department. Sometimes figures are altered with a view to show higher cost benefit. As soon as project is sanctioned, department gets green signal to go ahead calling for tender as per normal procedure. It has been observed that in the government organization especially in the Railway, concept of limited tender is encouraged. The reason for inviting limited tender is that to call listed contractors from the approved list and the works contract could be entrusted and given to some interested contractor. Similarly in respect of purchasing store items, hefty sum of commission are paid to purchase officer ignoring the quality of store items. If the tender is invited on open tender basis, payment of commission could have been avoided. While tendering for the work, the contractor will try to get the details of arriving at the rate of each items of
work by under hand dealing as it is a secret document of the department. When the tender is accepted by the department, formal agreements are executed. Due to non availability of site by the department concerned, work could not be completed within stipulated period of agreement resulting into the escalation of price. This has resulted due to non cooperation from department concerned and such act benefits corrupt officials to get pecuniary gain of such deal. The work is usually done by Junior Engineer/ Section Engineer. In order to redeem the amount spent by the contractor already an unholy alliance is built up between the Engineer and the contractor and whole act done in single chain. If any honest persons happen to come in the picture, contractor with the connivance of corrupt Engineer tries to transfer honest official by influencing the government and even such transfer is made with help of corrupt politician if circumstances demand.

The contractor usually put forward claims which are beyond the scope of agreement which will generally be rejected by the department as well as by the government. As soon as claims are rejected, contractor move the court praying for appointment of arbitrator. In most of the cases, departmental arbitrators are appointed. In the Railway Organization, government arbitrators are mostly from engineering department. Usually Chief Engineer or Deputy Chief Engineer is appointed as departmental arbitrator. As soon as arbitrator is appointed, contractor usually tries to purchase him by paying bribe and same practice is adopted for government advocate. It has been observed that more than 90% cases, awards are passed against government. After passing of Arbitration and Conciliation Act 1996, award itself is enforceable without declaring it as decree which was prevalent under old Arbitration Act 1940 which has been repealed. The question remains when admitted amount is paid after passing of arbitration award after several years.
that should have been paid to the contractor after completion of works and interest amount which is paid now could have been avoided.

In the Railway’s corruption is massive in the allotment of wagon and booking of perishable goods. According to the Kripalani Committee report, Railway rates, being fixed by the Government, do not fluctuate with the condition of supply and demand. In actual practice, however, if for some reason supply falls short of the demand, the unofficial prices go up. This surcharge is pocketed by the unscrupulous officials. Some times, artificial shortages are created to facilitate the demand for illegal gratification. Some of the unscrupulous methods have been revealed by the committee. Collection of small payment is more or less universally accepted by dalals at big Railway Station at the time of booking and delivery of goods and parcels. The amount is paid by the consignors or consignees to secure cooperation of Railway Staff to expedite business. Many a time, the Railway Employees take advantage of the ignorance of the parties concerned by misinterpreting the rules in force or giving wrong information, and then pretend to confer favours without violating the rules. It is true also that the public tempts the Railway Employees to falsify records to save themselves the payment of Railway dues and thereby gain substantial advantage.

D. CONSEQUENCE OF CORRUPTION:

a. Corruption may lead to law of anarchism where might is right. A person with unaccounted money and his illegal activities promote corruption because he can dominate the executors of law to suit them

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at their own sweet will. The personal safety and security of common man will be endangered at the mercy of political idiots.

b. Corruption will lead to adulteration of edible and food items of daily life. The persons who are responsible for such adulteration will go scot free because they can influence executive to enforce laws relating to adulteration. This will lead to ill health of common man.

C. Consumer items will not be available in the market at fair price. If these will be available at higher price in the black market or is available in the short weight so that the real corrupt persons could have the benefits and earn profits.

d. Corruption could lead to indiscipline in all fields of administration making the life of common man as miserable. This will have adverse effect on all fields of administrative machinery. The public servant will not be punctual in performing his duties. Such type of indiscipline in public life will lead to total collapse of administration. The common people will be in dilemma as to how day to day work is to be done and from where public can get Justice. Corruption is such a disease which will finally assassinate the character and morality of Indian society. The only criteria will be payment of money and getting things done and there will be no social stigma against corruption. Ultimately corruption will be part and parcel of day to day life and people will look towards corrupt officers with respect rather than contempt.

e. The direct impact of corruption is on the general people of country. Due to corruption, state fund is diverted and as a result services on health, education, transportation are directly affected. Petty corruption
provides extra expenditure upon general people. The diversion of fund by corrupt practices affects government’s ability to provide basic and essential services to general people. As a result, general people are deprived to get essential services such as health and education. Due to corrupt behaviour of public servant, it affects economic investment. Foreign Companies show reluctance to invest fund due to colossal corruption and lack of adequate rule of law, transparency and accountability in the government department. Such non investment on the part of foreign companies impedes economic development of any country.

f. Corruption poses serious development challenge. In the political realm, it undermines democracy and good governance by flouting or even subverting formal process. Corruption in Election and in legislative bodies reduces accountability and distorts representation in policy making. Corruption in the judiciary compromises the rule of law and corruption in public administration results in the inefficient provision of services. Generally, corruption erodes the institutional capacity of government as procedure are disregarded, reasons are siphoned off and public office are bought and sold. At the same time, corruption undermines the legitimacy of government and such democratic values as trust and tolerance.

E. CONCEPTUAL ASPECT OF CORRUPTION:-

Corruption is anti national, anti poor and anti economic. Corruption is anti poor because more than 30% of food grain for public distribution system disappears and become available in the black market. So it
is evident that corruption takes food from needy people of the society. Corruption is anti national as custom who were bribed, allowed to smuggle RDX which cause death of 192 people in the Mumbai and these people were killed by Pakistan based terrorist.

Centre for media studies (CMS) and Transparency International joint study reveals that one third of below poverty line household paid rupees 9000 million as bribes in 2007 for availing one or more public services covered in the scheme. The above facts lead to conclusion that it is anti economic. War time controls scarcities etc. provided ample opportunities for bribery, corruption and favoritism. Perhaps a high water mark of corruption was reached during 2nd World War. There are various forms and types of corruption. It is worldwide phenomenon because it is not confined to any particular country. Magnitude of corruption varies from country to country. Corruption has been enhanced to a large extent. It is imaginary to rout out corruption completely at all levels but it can be brought down to certain extent i.e. within tolerable limit. Drastic steps need be taken to check the virus of corruption.

This is common type of corrupt practices particularly in the awarding contract, granting license and permits. Some government servants have got into the habit of not doing work till they are paid speed money. One secretary deposed before Santhanam committee that even after an order has been passed by higher authority, it was not communicated to the applicant until he is paid appropriate gratification to the subordinate concerned. Speed money may have been common phenomenon in the government offices for getting work done.
Critical zones of corruption indicate more opportunities for corruption than others. Influence is pressed into service by pleasing political bosses for obtaining promotion. There cannot be corrupt official without men willing to corrupt them.

Corruption is old practice. It has become everyday phenomenon of life to large number of citizen and public servants. Throughout the fabric of public life in developing countries run the scarlet thread of bribes and corruption. It is not product of administration and it is malfunctioning or nonfunctioning of administration. The route of corruption should be viewed to socioeconomic factor but not in isolation.

Days are ahead because most of educated persons are reluctant to join politics. The emergence of business men were also responsible for growing corrupt practice amongst public servant, some of whom can be purchased easily in exchange of their favor. Some people are of view that poor salaries lead to birth of corruption amongst public servants. This is not true because person becomes dishonest due to greed but not for need. There are so many persons in the society who are in extreme poverty but they maintain high degree of honesty and even they refuse to accept any kind of reward or do any work for extraneous consideration for their honest work. We often see in the Newspaper that poor taxi driver returns entire money or other valuable articles to the passengers which are left out in his car by mistake. He could have been corrupted by not returning such valuable things to the actual owner. Because such type of taxi driver are basically guided by moral standard and value considerations rather than financial condition. It is not vice to be poor person but it is vice to be dishonest or corrupt person. So, everybody is supposed to be honest and by being honest person, it is a pleasure to be good
citizen of any country. It should be remembered that poverty is not disqualification but dishonesty is disqualification.

Black money and black market of group of citizens also made it possible for them to successfully influence the civil servants. Black money is easy source of money and parallel economy is running throughout the entire country. Emergence of modernization and urbanization has widened corrupt practices of public servant. The value of society has been changed, old ideas have been replaced and idea of morality is regarded asachronistion which spread corruption. The origin of corruption can be found in the system of administrative set up. Proper lack of vigilance, defective information system, enormous powers in the hands of few, give scope to the civil servants not only to be corrupt but also to remain unaffected. The implication of corruption in the modern society is colossal and has many adverse effects on day to day functioning of common people.

It is to be mentioned in this connection that corruption in India has become nationwide problems and it is being generally resorted to in a routine manner to get work done easily with a view to get speedy result. It can be said that corruption in government, semi-government and public sector undertaking is not secret. It is openly practiced despite the fact that both giver and taker of bribe know very well that it is an illegal act which is punishable under law.

Corruption is taking monstrous shape. Now corruption has become way of life. Previously it was only confined to motor vehicle, water, sanitation, housing, and irrigation but now it has reached to every part of
administrative set up.

At present day society, nobody is surprised to hear the news of corruption since corruption has engulfed entire society. It is open secret that files cannot move even an inch unless hefty sum in the form of bribery is paid to government official.

Curbing corruption amongst public servant and maintaining integrity is herculean task in the developing country like India. Due to technological and scientific developments in all spheres, demands of people have been enhanced and sometimes it has reached to sky limit. In order to reach sky limit, person has to adopt most unfair and corrupt measure with a view to earn money. The person concerned does not think that the way he has amassed wealth does not belong to him and it has been wrong fully gained by depriving the legitimate share of have not’s groups. Seeing such painful scenario of the country, our late Prime Minister Rajib Gandhi said that out of one rupee, only 14 paisa reach to the common people.

A little amount of inefficiency or lethargy can be tolerated amongst government servants but there is no question of compromise in respect of integrity because honest and inefficient government servant is better than dishonest and efficient government servant. It is to be noted in this connection that inefficiency can be cured to a great extent by providing suitable training and education. But corrupt behavior of government servant cannot be cured easily since it is deep rooted chronic disease. Some people are of view that low wages coupled with inflation may lead to corruption. This view is not correct because we have seen that so many persons in the society belonging to lower income group has not scarified their honesty and integrity.
It is a wrongful gain but rightful loss to right person. It should be remembered that one cannot enrich oneself at the cost of others. It is rightly said that there would be no corrupt official unless there are men willing to corrupt them. There are two parties in the corruption. One is bribe giver and other is bribe taker which is most dangerous in the society. Some critics are of view that don’t pay bribe. But the situation compels the person i.e. bribe giver to pay extra money in order to get the service. This is why people’s faith and confidence are getting down day by day. Most of the general people believe that government departments are main obstruction rather than help. Some day’s corruption may lead to law of jungle. It may lead to birth of indiscipline in all field of life thus making the life of common man miserable. They may not know from where justice will be available. Corruption ultimately assassimates the character and morality of Indian society. Corruption has become almost way of life. Some time artificial scarcity of essential items is created in order to get extra benefit at the cost of public. Dilatory practice and complexity of the procedure are responsible for birth of corruption. Typical departmental rules and rigid procedure have provided wide opportunity to the government officials. It is said that even top organization is prone to corruption. Quality of work can be achieved by adequacy of the procedure i.e. quality and quantity. Lenient view should be taken in the first instance. Corruption is now almost pissing the upper level and it is widespread. Social climate has become highly materialistic and even corrupt officers do not suffer moral depravity. Corruption is the use of government office for personal gain. It is said that India was honest nation till 1947. It is shameful that India is not safe at the hands of corrupt official of Indian National but there is little corruption during British rule. This should be condemned by all section of the society. Corruption generally flourishes in India due to secrecy and delay. The secrets element has been efficiently leaked by the commission by putting on website the name of charged official who are facing either prosecution by the
court of law or by departmental proceeding. Corruption has been flourished during the existence of black money which is calculated nearly 35% of gross domestic product. So, parallel economy is running. Recently Mr.L.K., Advani leader of opposition in Parliament suggested that source of money which is deposited in Swiss Bank should be confiscated. Such colossal amount of money may be invested in development purpose. There is abnormal delay in the court proceeding where criminal cases are taken up. Rate of conviction is less than 10% because of poor knowledge and lack of expertise in law of prosecuting authority. Corruption also flourishes because corruption is low risk and high profit business which ultimately gets reflected in the form of black money i.e. foreign account, benami account, jewellery and other valuable benami properties.

Corruption is one type of white collar crime which is committed by person having higher social status. The present day society values and recognizes social status of citizen in terms of possession of wealth and assets by him. The Santhanam Committee on corruption has found that corruption can exist only if there is someone to corrupt and capable of being corrupted. Corruption has adversely affected moral of public servants. Adulteration of food, drugs counterfeit currency is committed with the help of corrupt public servant.

It has further been observed that member of community themselves contribute to the commission of various white collar crimes willingly or unwillingly. For example illegal gratification or bribery to public servant to get work done is one of the common examples where victims themselves are to be indicated for involvement of corruption related cases.
Such type of crime cannot be committed unless there is a demand for illegal favour for people and they are involved in the deal.

It is seen that certain percentage of law breakers have become law makers after being elected in Lok Sabha & Rajya Sabha. It is more surprising that person undergoing imprisonment have been allowed to file nomination in Parliamentary or assembly election. Abuse of office is an act of criminal misconduct. When a public servant obtains valuable thing or any pecuniary advantage by corrupt or illegal means or by abusing his official position, he commits criminal misconduct. Criminal misconduct includes when he enjoys benefit either for himself or for any other person or when he causes wrongful loss to the government by showing undue favour to third party.

Here criminal misconduct includes when the public servant misappropriates the property entrusted to him. When he obtained valuable thing by abusing his official position and when he is in possession of disproportionate assets to the known source of his income. Habitual bribe taking increase the gravity of offence. Criminal breach of trust consists of two parts 1) dishonest or fraudulent misappropriation 2) when he allows any other person to misappropriate property entrusted to him. The aforesaid criminal misconduct becomes substantive offence when public servant has no satisfactory explanation for the possession of disproportionate assets to known source of his income. The presumption is against the accused that he has acquired these assets by illegal means and he could not satisfactorily account for owning property disproportionate to the known source of income. Habitual commission of offence has become more serious and substantive offence.
India is one of the most regulated economies of the world with the power concentrated in few hands. At present twenty million people hold public office and they exercise power over more than one billion people throughout India. Out of twenty million public officials, more than ninety person of such public official belong to class C & D and less than one percent belongs to Class A who enjoys enormous power and indulges corrupt practice and the minority has the potentials to indulge such corruption in all spheres.

F. STATISTICAL OVERVIEW:

Corrupt Ministers and bureaucrats are more prone to corruption than anybody else. This group of people already gifted our country many of worst scams starting from Bofors gun deal when Rajib Gandhi was Prime Minister during material time up to present ruler of the country. The question may come as to why quantum of corruption has been increased. It is reported that in 13th Lok Sabha that against as many as 40 members of Parliament, Criminal cases are pending. Near about 25% of Member of Parliament have no academical background. Most gloomy picture in the present society is that good student of College and University are not interested to come to politics because of present scenario of politics. It is most surprising that person having Criminal background even politician serving in jail are being allowed to contest election. This has become laughing stock to the World. But we are fortunate enough that we do not list of most corrupt countries in the World as the corruption index of 2007 and 2008 prepared by Transparency International. The above index show 180 Countries ranging from zero level to optimum level of corruption. It is evident from such statistics that Denmark is reported to have marked as least corrupt country while Somalia is marked as most corrupt country. In 2007, India appeared at number 72 and in 2008 it
appeared at number 85. So statistics indicates that it is also highly corrupt country. Pakistan was at number 138 in 2007 and 134 in 2008 and Bangladesh appeared at number 162 in 2007 and 147 in 2008. But the statistics is not encouraging in respect of quantum of corruption. It is to be specially mentioned in this connection that communist country like Russia is as corrupt as Pakistan or Bangladesh and communist China is no better than India. But in capitalist countries like USA and UK, corruption is much less than Russia & China. The level of corruption in USA is 1/4th of India where as in UK it is less than 1/6. Surprisingly, Malaysia, Bhutan, Thailand are less corrupt than India. Brazil, Kuwait and Jordan also have better record than India. If such development of corruption is not controlled, we may reach the level of corruption up to Somalia within few years.

M/S Transparency International NGO has placed India 73rd out of 99 countries surveyed in corruption index. After analyzing, it has been observed that Denmark stand at the top of the list with the score 10 and India stand act 73rd rank with the score 2.9 point.

It has been reported that German Intelligence Agency BND collected one disc from LTG Bank in Liechtenstein. The disc contained names of Indians who had deposited their ill gotten wealth there. Many Countries like U.S.A., U.K., Canada, Norway, Italy, Sweden and Finland agreed to collect the disc. This issue received no attention from the parties belonging to UPA and NDA Government and even revolutionary left parties. There was no discussion in Parliament in this issue. Besides greedy and dishonest businessman, there is spotless angel also. We have heard that Mr.P.Chitamaram Cabinet Minister received communication from leader of
opposition who got evasive reply in this regard. But every thing was hush hush.

G. MODUS OPERENDI OF CORRUPT OFFICIAL:

There are some sensitive areas of government department which provide more opportunities for corruption than other departments. In present atmosphere of scarcity, individuals bid for goods and services and deciding officer may twist his discretion in their favour. It has been observed that discretionary power is vested in high officials of the government. Such high officials apply his discretion in disproportionate to his limit and capacity. Dominance or influence is pressed into service by pleasing political bosses for obtaining promotion. Bureaucrats always try to please their political bosses in order to gain extra advantage. Corrupt officers have become very skilful in their task. Some times they do not leave any evidence behind by which they can be caught. They have become expert by their clever skill and nefarious activities, pollute the national fabric and create atmosphere congenial for corruption.

It has been observed that falsification of financial documents is on increase every where and every day. Nearly one hundred crores rupees are involved in cheating every year from different banks. ATM card is being misused and cash withdrawal is being manipulated by forging signature by changing digits on cheque/draft and by adopting like such method. In the modern system of banking, handling of cash has become risky and outdated. That is why core banking system has been introduced in order to extend
maximum benefit to the customer. ATM card is being used in order to avoid handling cash. Cheques, credit card and debit card are accepted i.e. by buying gold, car and even for a meal with diner card.

It is open secret that employees belonging to government, public sector undertaking including local authorities are prone to corruption. They are being enriched at the instance of Ministers and corrupt bureaucrats.

Effective steps are required to be taken to reduce the scope and necessity of corruption. Area of patronage and discretion should be reduced. Procedural complexity is prevalent in the government department and administrative anarchy exists. Work done at lower level should be monitored periodically. Political influence in respect of transfer of government official should be avoided. The beneficiaries should be contacted and their problems and grievances should be removed. Outside interference coupled with political influence should be redressed which badly affects the internal system.

CORRUPTION IN INTERNATIONAL PERSPECTIVES

A. CORRUPTION IN MEXICO:-

Law mandates financial disclosure and competitive biding for public works contact. Yet passed reforms have been ignored, dismantled and insufficient. It is stated that reforms cannot succeed on their own or be
advanced against historical trends. One major thrust of this study has been to treat corruption as involving broad structural factors and historical forces. It was argued for example that currents unleashed in 1980 may prove to be greater impact on corruption than all other reforms efforts of the passed. But in addition, the analysis underscores other broad areas of charge that could bribe corruption in Mexico. Some of these as the interest, deceiving danger in discussing reforms, merit brief attention. First reducing the scope and role of personalized policies in Mexico is crucial in striking the environment in which corruption flourishing an increase in public policy detects and other activities of government opening the close doors and permitting greater scrutiny of official process would clearly have such an impact. Generally the more public government affairs become the less corrupt they can be.

Enhancing the autonomy of the state's subsystem would also reduce the likelihood of corruption. This could be pursued for instance by creating effective civil service system or merit system or opening up grass roots political involvement. Strengthening social organization would also infringe corruption. This could be done by reducing the titutory role of the state and lessening the dependency of social organization on the state or by enhancing popular imputes into the organization themselves.
The second major thrust of the study concerns the importance of incorporating corruption into the broader perspective of Mexican polities and herein lies in the inherent danger in addressing the issue of referring corruption. Structural reforms do not operate in a vacuum and corruption is neither isolated problems nor Mexico's only problem. Pressures reducing corruption may hold disastrous consequences for the functioning and stability of the system. Curbing corruption could jeopardize the pragmatic and accommodating agreement that has long united in the elite.

As a system feature, corruption in Mexico influences the nature, content and direction of future reform, just as the other reforms affect corruption. Economic stagnation and slow democratic progress further feed the flames of frustration and distrust built on years of unfulfilled promises and widespread corruption. The Mexican political system has long been considered something of the enigma the general in attention to political corruption and failure to incorporate it into the comprehensive analysis may partially account for this. As the history and forging analysis make clear, corruption has played a crucial role in the operation and stability at Mexican system. Rather than decay or decadence from once whole some state, corruption is a manifestation and constant reminder of the imperfection of government generally to achieve the goal they embody. This enquiry has tried to underscore structural factors shaping that chasm between desire and deed and to explore the some what paradoxical political role of corruption. Some questions have been answered and others fashioned but it is clear that just as the policy is incomplete without corruption. So too is our standing of it. (Corruption and politics in contemporary Mexico- Stephen D.Morris).
B. CORRUPTION IN BANGLADESH

In Bangladesh, 40% people are living below poverty line. It is the general phenomenon that people are compelled to get job and public service by paying some percentage of bribes. Sellers of essential commodities are compelled to raise price as they have to pay bribes to public officials. Due to massive corruption, World Bank and other investment from foreign countries are not coming.

As per Transparency International reported that Bangladesh is stated to have been shown as most corrupt country for several years commencing from 2001. After five to six years, rating has been improved due to change of government. New government at Bangladesh has admitted that there is high scale corruption in the entire country but has declared to take effective measure to combat corruption. Corruption at Bangladesh has been spread like Cancer in the entire country as stated by Non Government Organization at Bangladesh. Large numbers of cases relating to land are pending in different course for several years at Bangladesh. Such cases have been filed by the people of country due to illegal encroachment of land. Filings of large number of cases have become possible due to lackadaisical attitude of official of land survey department. It has been reported that there is large scale corruption in land survey department which is known to everybody. Due to complicated procedure relating to land, corruption has been enlarged and official posted at this department is taking opportunity to exploit the general people. Since corruption at Bangladesh has reached alarming position, it is up to the government to come forward with a view to take drastic steps to combat corruption at land survey department failing which within course of time, the matter will be out of control. Besides people in general,
Non Government Organization and Civil Society Group should come forward and create atmosphere congenial to all round development.

Corruption is the World wide phenomenon and quantum and magnitude of corruption varies from country to country depending upon the quality of administration and effective judiciary. Corruption is prevalent in vicious circle in all developing countries where foreigner ruled the country for long period.

Corruption is defined by World Bank and Transparency International as “the misuse of public office for private gain”. Due to massive corruption, public fund is diverted from government to corrupt people and their associates. Corruption affects democratic system and government and it can be stated as legal and moral problems due to misappropriation of public fund. Due nefarious activities of politician and bureaucrats, state fund meant for development work is being diverted for personal gain of corrupt people. Colossal corruption and corrupt behaviour of public official reduce the efficiency and there is over all lack of private investment which effect national economy.

In Bangladesh, people has accepted corrupt behavior of public servant as usual as if it has been legalized for payment of bribe. This notion has created problems to the poor people of the society from economic point of view. In corruption deal, there are two parties. One is bribe giver and other is bribe taker. Society is serious about the magnitude of offence against bribe takers only. But the persons who are offering bribe have to deal with strong hand. So government initiative for combating corruption is not adequate and at the same time, business community and general people has also effective role
to combat the menace of corruption. It has been reported that Bangladesh has become fertile ground of corruption since independence. All public institution starting from secretariat up to Panchayat Office, police authority, Bank and Public utility services are affected by corruption and this has become possible due to corrupt behavior of politician, bureaucrats and even also business community.

Due to such massive corruption, general people have become victim of corruption. Combating corruption through the process of law is very much complicated. Discretionary power of public official has given birth of corruption. It is fact that law breakers are cleverer than law makers. Evidence of bribery, graft, misuse of power against politician and bureaucrats has become difficult resulting into acquittal. In order to convict the corrupt official and corrupt politician, strong evidence is required. Due to lack of strong evidence against corrupt people, though there is strong allegation, they are being acquitted by the order of court.

In order to combat the menace of corruption, public servant much give attention to the legal and moral obligation and discharged their duties in non partisan way without being influenced for person interest and shall act without fear or favour. Public officials have constitutional duties, responsibility and obligation. They should discharge their responsibility in consonance with code of conduct and public trust. Government has also duties to combat the quantum of corruption by reducing bureaucratic red tapism. Besides, citizen has moral duty and start awareness programme by identifying the corrupt official and this efforts will act as deterrent to the prospective offenders.
Suitable amendment for anti corruption laws need to be made. Anti corruption commission and investigating agencies should be equipped with more power to deal with corruption. Suitable awareness programme through media and electronic media should be made throughout the nation with a view to create society congenial for over all development. Proper strategy should be made for privatization of public sector.

Following effective measure should be taken as per information available through website\textsuperscript{6}.

Corruption could be arrested and reduced significantly with government and political leader’s strong will, strategic initiative and plan of action. Combating, controlling and prevention of corruption need both reactive and preventive initiatives which are follows:

1. Moves to strengthen coordinated enforcement of law, investigative powers and imposing severe penalties.

2. Mandating higher level responsibility, accountability and transparency of government activities.

3. Aggressive public campaign against corruption.

4. Securing effective and appropriate legislative actions.

\textsuperscript{6} http://www.weeklyblitz.net visited on 1.6.2011
5. Eliminating the opportunity of committing corruption in our systems, tougher election regulations.

6. Educating and fostering the citizen against corruption etc. would help ameliorating endemic corruption practices in Bangladesh. Last not the least, planned anti corruption strategy, effective commission, stringent law effective prosecution and strong judiciary are essential to eradicate the crusade of corruption.

C. CORRUPTION IN CHINA

China’s anti corruption watchdog has reported that 106,000 officials were found guilty of corruption during 2009, an increase of 2.5% on the year before. Corruption in China is main cause of concern to the government. As per BBC report, there is wide spread agitation at the high life style of some communist party officials, police chiefs and top executive of state-owned companies. It has been reported by state run China daily that 60% of the respondent believed that corruption was doing most damage to the China’s reputation in the eye of foreign countries. A number of senior executives have been convicted in connection with corruption charges. One former head of oil giant was sentence to death during 2010. It is surprising that head of China National Corporation was dismissed and investigation is going on against him.

According to World Bank survey, Companies are considering corruption to be number six among the top ten major constraints for
investment in China. As per Transparency International index, China is stated to have been shown as 3.5. It indicates that International business people and country analysts rate the degree of corruption in China to be relatively high.

Despite all these factors, China is still rated as one of the most attractive place for foreign investment. The premier leadership has admitted that corruption is major cause of economic constraints and that is why leadership is taking effective measures to combat the menace of corruption. Efforts taken by the leadership has led to near about 1 lakh civil servants having been prosecuted for corruption and misappropriation of public fund.

In China, penalties for accepting bribe are higher than offering bribe. China’s accession to World Trade Organization in 2001, transparency has improved much and laws and regulation have been made as per guideline of World Trade Organization.

The source of corruption in China can be classified in three ways:

1. High economic growth following the extensive economic reforms in order to develop towards open economy.

2. The incomplete nature and inconsistent application of these reforms.

3. The aspects of Chinese cultural traditions and norms rooted in Confucianism.
China has adopted so many reforms i.e. extensive privatization and decentralization. China’s Parliament is legislating new legislation and amending laws in order to combat the menace of corruption.

Corruption at China exists in almost all sectors but it is most prevalent in certain areas which are as follows. Corruption in judicial system is less but lower court officials take bribe in order to prevent delay in judicial process. Corruption is also wide spread in connection with obtaining license and permits. Corruption is dominant in construction project also. Medical & Health care supplies in China have been under investigation in connection with bribe pharmaceutical company who try to avoid having their product properly tested. In addition to above, corruption is prevalent in the sector of mining, banking, tax, customs and transportation though China has taken several steps to comply to the guideline of World Trade Organization.

Corruption is widespread phenomenon in China like other developing countries. Many foreign companies in China have developed anti corruption strategies i.e. by determining the value of gifts.

Trade council of Denmark China provides effective anti corruption strategies for companies operating in the Chinese Market. Trade Council of Denmark China offer following assistance.7

1. Specific information about corruption in China.

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7 www.dtcchina.um.dk visited on 19.06.2011
2. Risk assessment on the basis of Company’s present and potential market situation.

3. Access to a Network of local Chinese Organizations dealing with corruption cases.

4. Information and contact to relevant national & international anti corruption legislation.

5. Help with preparation of contracts in which anti corruption principles are incorporated.

6. Guidance in connection with public offerings and questions regarding probable fake companies and business licenses.

It has been reported that Ld.Court in Hebei (China) by its order dated 22.07.2011 awarded Zhng Chunijang, a former Deputy General Manager of China Mobile, sentenced to death for corruption charges while remaining 21 other accused were given different jail terms for massive transnational telecom fraud and further directed the confiscation of his personal assets and stripped him of his political rights. Ld. Court further held that Mr. Zhang took 746 million yuan (US$ 1.15 million) bribes in between 1994 and 2009 when he served as different capacity such as Deputy Director of Liaoning provincial postal administrator, General Manager of China Netcom group Corporation Ltd. and Deputy General Manager of China Mobile.
D. CORRUPTION IN PAKISTAN

As per report of Transparency International and U4 helpdesk, corruption has become main obstacle for economic growth in Pakistan. Corruption scenario in the entire country is colossal and global. Petty corruption in the form bribery is in vogue in almost all departments particularly in public utility services. Judiciary at Pakistan is not free from corruption since they are shielding corrupt practices.

Government has taken some efforts to develop reforms to alleviate menace of corruption. National anti corruption strategy in 2002 has initiated exhaustive measures to tackle corruption since National Accountability Bureau is equipped with requisite power to investigate and prosecute corrupt official. Due to lack of political will, lackadaisical attitude of judiciary and procrastination of anti corruption proceeding have become main impediments to fight against the menace of corruption. It has been observed that anti corruption proceeding has been initiated against political opponents and lower group of civil servants without touching military or defence. In Pakistan, democratic system has been paralyzed by the domination of military administration. It is also surprising that National reconciliation ordinance in 2007 has provided immunity for passed corruption action as a result large number of public officials have been left out. The dismissal of some judges of Apex Court including Chief Justice by Mr. Pervez Musharaf Ex President of Pakistan has led to the birth of violent unrest and agitation throughout the country and such action on the part of military dictator has tarnished the image judiciary at Pakistan.
Political instability and insecurity have dominated Pakistan during last 50 years followed by frequent changes of Government. In between 1990 & 1999, four democratically elected government came to power and elected government was either dismissed or thrown out due to alleged corruption and misuse of power. Pakistan People Party led by Benazir Bhutto first came to power in 1990 and her government was dismissed and it was replaced by Mr.Nawaj Sharif of Islamic democratic alliance in 1993. After resignation of both Prime Minister and President, election was held under interim government. Benazir Bhutto of Pakistan People Party again came to power in 1996 and her government was again dismissed. Afterwards Mr.Nawaj Sharif again came to power.

The reign of democratic government came to end in 1999 following military coup led by general Pervez Musharraf. He declared himself as Chief Executive which was upheld by Apex Court. During 2002 another the Presidency of Musharraf, Parliamentary Election was held and civil rule came to power again. During military government led by Musharraf, former Prime Minister Benazir Bhutto was convicted in corruption charges and she was sent to abroad. Similarly another former Prime Minister Mr.Nawaj Sharif was also convicted and sentenced for acts of terrorism although he was subsequently excused and went to exile.

Day by day political instability has dominated the entire country. There was devastating earthquake in 2005 which has affected economy of Pakistan. During 2007 Chief Justice of Supreme Court was dismissed by Musharraf due to alleged misuse of office. For dismissal of Chief Justice there was wide spread agitation throughout the country. Musharraf after being re-elected as President in 2007 declared emergency by suspending
constitution after assuming office within a month. When Parliamentary election was scheduled to be held in 2007 but it was deferred due to sudden assassination of Benazir Bhutto Ex-Prime Minister in December 2007 and the election was held in February 2008. President Musharraf was defeated and coalition government of Pakistan People's Party and Pakistan Muslim League Party headed by Prime Minister Yusuf Raja Gilani assumed office in March 2008. After assuming office, new government quashed the order of President and restored entire judiciary.

Due to change of government from time to time, corruption has entered in to every sphere and at all levels of government machinery. As per Transparency International report Pakistan is stated to have been marked as equally pervasive within federal, provincial and local governments. According to corruption perception index of Transparency International in 2007, Pakistan is rated as 2.4. As per World Bank survey, quality of governance improved slightly under first military government during (1999-2002) following Musharraf's coup. In 2003, country improved slight the better in respect of controlling corruption and government effectiveness.

World Economic Forum's Global competitiveness report (2007-08) has identified corruption as 3rd greatest problem for companies doing business in Pakistan. Approximately 40% companies in Pakistan think that corruption is one of their major concerns. Besides Private Sector, general people of Pakistan are of view that corruption to be stumbling block for the country. The Global Corruption Barometer 2007 indicates Pakistan is one of the countries mostly affected by small bribery. Statistics shows that near about 50% respondents have alleged that they have paid bribe to obtain service.
It is reported that National Corruption Perception Survey conducted depth study during 2002 & 2006 and measured the quantum of corruption under three different governments such as Bhutto, Sharif & Musharaf. An assessment report state that first phase of each government was rated as less corrupt than second phase that each leader was in power. Corruption emerges in various forms which include financial corruption, political corruption and misuse of power by government official. Both petty and grand corruption is widespread in the country. It is openly practice that general people has to face demand in respect of payment of bribery to get the work done. Survey result in 2002 showed that 100% respondents who had a contact with police were confronted with corruption. In respect of public utility services, 44% respondents obtained electricity by paying bribe and while remaining percentage had to depend on other forms of influence to get same services. To deal with tax authority of the country, 99% respondents had to face corruption.

According to survey of 2006 that there are three most corrupt governments such as police 64%, electricity 11% & Judiciary 9%. The reason corruption in the above departments has arisen due to lack of accountability, poor salaries and discretionary power. Though Pakistan is major recipients of aid from International Institution, corruption has affected poverty, aid & developmental project. The World Bank and Auditor General of Pakistan have repeatedly high lighted problems in recruitment, site selection and corruption for development project. Due to such problems, World Bank project were suspended. In order to alleviate menace of corruption from Pakistan, World Band and Asian Development Bank are assisting Pakistan in establishing e-governance. The Board of Investment is now publishing tender invitation on the website in order to promote transparency in the tender process. Police at Pakistan is one of the most corrupt institutions in the country. According to
Organization global integrity, appointment in the police force is only based on political consideration. It is further stated that influential land lord decide appointment law enforcement officer in their respective area, with police officials acting on their behalf. Businessmen and Merchant also make complaint due to extortion by police.

The country’s tax and public finance administration have also been plagued by widespread corruption. The World Bank’s 2004 public expenditure management report showed widespread understanding between tax payer and tax official resulting into wide scale tax evasion. Recent finding suggested that decentralization of power to local authority may provide benefit by increasing good governance and accountability needed to help fight corruption. Major area of corruption is petty corruption whereas low ranking official are involved. High officials involved in corruption cases have rarely been prosecuted and punished. But number of government officials, politician and military officials has been recently prosecuted. In order to check the menace of corruption, National Accountability Bureau need be more strengthened so as to investigate and prosecute corrupt officials at Pakistan. In some cases, allegation of corruption related cases seem to have been initiated and motivated by political reasons.

Pakistan has been taken steps to fight against the menace of corruption since dawn of independence. Government anti corruption measures intensified after 2002 in consonance with implementation of National Anti Corruption Strategy by National Accountability Bureau. But its out come is far from satisfactory. According to report of National Accountability Bureau, there are two reasons 1. Political will that has not been properly functioned over the years 2. Policy recommendation which has been adopted has no
proper plan of action. Anti corruption initiatives are not encouraging due to the fact that President Musharaf in 2007 granted immunity to corrupt officials, minister and Parliamentarian. The above immunity has been extended under the National Reconciliation Ordinance which was amended in 2007. The National Accountability Ordinance of 1999 had guided country’s corruption related works. Many pardoned officials were appointed to important ministry and also public officials. Another set back is the relation between judiciary and the government. After dismissal and house arrest of Chief Justice of Apex Court and other judges were sworn in to office under provisional constitutional order where more than 60 judges including Chief Justice of Apex Court refuse to take new oath of office but new PCO judges are involved with protecting the interest of beneficiaries of National Reconciliations Ordinance. Above Ordinance has tarnished the image of entire judiciary of Pakistan. Since above ordinance is still vogue, the rule of law and independence of judiciary have been curtailed. In absence of strong and effective judiciary, Pakistan will be most corrupt country within a very short period.

Due to ineffective functioning of the government, economic strength of country has been deteriorated, inflation has been increased and law and order has been broken down. That has been possible due to massive corruption. The main instruments to fight corruption are Pakistan Peal Code 1960, Prevention of Corruption Act 1947 and National Accountability Ordinance 1999. Prevention of Corruption Act 1947 criminalizes both active and passive bribery where as National Accountability Ordinance outlines the authority of National Accountability Bureau. The Ordinance was re-promulgated in September 2002 with some amendment and it will remain in force after election of new Parliament. National Accountability Ordinance has been criticized strongly for leaving important categories of officials including judiciary and personnel of arm forces.
It is reported that in terms of International norms, Pakistan has endorsed anticorruption action plan in 2001 and ratified the United Nation Convention against corruption in 2007 but it was signed though government has not ratified the United Nation Convention against transnational organized crime. National Anti Corruption Bureau is main anti corruption body which has preventive, enforcement and public awareness. Its main function is to investigate and prosecute corrupt official and to publish annual reports on corruption. It is to be noted in this connection that judiciary and military personal are not under the purview of National Accountability Bureau.

There are series of politically motivated cases by National Accountability Bureau against political leaders. It has been reported that government requested Supreme Court to withdraw corruption cases against minister though National Accountability Bureau filed the case accusing minister to bank default of US $ 11million.

Despite all these problems, National Accountability Bureau has claimed credit to have achieved some good result to fight against the menace of corruption. As per statistic, corruption rate remains 68% of all cases already processed. National Accountability Bureau has assessed that 200 billion rupees of financial resources have wasted through corrupt practices of higher levels whereas 67 billion rupees have also been wasted through corrupt practices of lower level in every year. National Accountability Bureau is taking periodical measure to combat the menace of corruption in efficient manner. There is collusion between civil servants and auditors as a result it has tarnished the image of reputation of the office of Auditor General. After 2002, the offices of Auditor General and Accountant General have been
separated to mitigate corruption and to strengthen. Since 2002 Auditor General has published annual report.

The concept of Ombudsman i.e. Wafaqui Mohtasib is an ancient Islamic concept which was established in many Islamic country’s to ensure that no injustice was committed to it citizen. In Pakistan, the office of Ombudsmen was establishment in 1993 by the order President. Above ombudsmen is authorized to investigate and pass order for compensation in favour of persons who have suffered at the hand of government officials. The Ombudsmen is appointed for four years period. The said office is authorized to investigate the affairs of all departments of the federal government except Supreme Court, Supreme Judicial Council, Shariat Court and High Courts. Despite establishing Ombudsman said institution has not been proved affective and had to face pressure from Government in respect of initiating investigation against corrupt official and ombudsman has not shown any initiative in respect making any investigation against high echelon officials as per global integrity report 2006.

E. UNITED NATION CONVENTION AGAINST CORRUPTION

During 2003 in Mexico, delegates from all over the world assembled to sign the United Nation Convention against Corruption. During convention Mr. Harin Pathak, the then Minister of States for personnel, Public Grievances and Pension delivered statement by saying that in India even the most powerful in the land are not exempt from the operation of anti corruption
machinery in the country. Pathak’s declaration emphasized the fear felt by many in India including Indian Supreme Court which had pronounced, “inertia was the common rule whenever the alleged offender was a powerful person”. Throughout history, corruption has been recognized as a decaying force to society and states have taken countermeasures against such deceitful practices.

While ancient lawmakers punished individuals for corrupt practices, today’s anti-corruption approaches break new ground by incorporating international efforts, domestic laws, and individual initiative. Scholars have researched the sources and causes of corruption because certain socioeconomic and political factors raise the propensity of corruptive acts. These factors include the stability of the government, little loyalty to the community as a whole, wide discretionary power, low level wages, defective electoral systems, and rapid industrialization. But most important is the reality that existing anti-corruption law agencies are totally inadequate to prevent higher level corruption.

But there are defenders of corruptive practices, such as the International Criminal Justice Scholar David Bayley. Corruption is detrimental to both political development and economic growth.

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8 H.E.Mr.Harin Pathak Minister of State (Home, Personnel & Pension) delivered high level political conference.
9 Vineet Narain v. Union of India (1998) 1 SCC 226, 243
10 Daniel Kaufmann, corruption: The Facts, Foreign Pol’y Summer 1997, at 114
12 Id at 11-12
15 Johnson, supra note 14.
When United Nation General Assembly passed resolution in 2003 adopting United Nation Convention against Corruption, the global community witnessed the culminating event in a decades-long transition. Efforts to curb corruption started with domestic laws, evolved into regional pacts and concluded in the first internationally binding convention on the single greatest obstacle to economic and social development. While the passage of United Nation Convention against Corruption, is a certainly a momentous event in Internal Law, the agreement is only the first step towards halting corruption. Unless 130 Counties that have ratified the convention and other ten signatories earnestly implement it into domestic law, the convention risks becoming another inspired, but nonetheless, ineffectual ‘soft law’ instrument.

India, the largest democracy in the World is the signatory to the United Nation Convention against Corruption but still has not ratified it. India placed 85th out of 179 Countries in Transparency International’s ranking of the world’s least corrupt countries. As per Transparency International’s report, Denmark is stated to have shown as least corrupt country and Somalia as most corrupt country.

Government of India impedes the country’s main corruption fighting and investigation bodies by denying them autonomy. Central Vigilance Commission being highest anti-corruption body in India obtains its

16 Id at 10
17 ICC views on the United Nation Convention against Corruption at 3, ICC Doc. 194/44 (June 22 2005)
18 U.N. Office on Drugs and Crime (UNODC)
20 United Nation Convention against Corruption signatories supra note 18.
21 Transparency International corruption, perception Index 2008
legal authority after passing Central Vigilance Commission Act 2003\textsuperscript{22}. Central Vigilance Commission Act provides limited powers to the commission and raises speculation about its ability to fight subversive influences\textsuperscript{23}. In order to curtail the authority of Central Vigilance Commission, Central Vigilance Commission Act also curbs the power of the investigatory arm of the Central Vigilance Commission, the CBI, by reinstating a requirement of prior sanction for investigation of high-ranking officials\textsuperscript{24}.

International law only began witnessing transnational anti-corruption developments at the end of the cold war, when countries were able to stop supporting other nations, corrupt regimes for national security reasons\textsuperscript{25}.

While anti-corruption measures traditionally took the form of domestic legislation, as the transnational impact of corruption became more obvious, states began regional actions to decrease illegal practices\textsuperscript{26}. In 1996, the Organization of American States adopted the Inter-American Convention against Corruption (OAS Convention), the first agreement to bind multiple nations; it had 22 members including United States\textsuperscript{27}. The OAS Convention was important not only as the first multilateral approach to corruption but also because its members ranged from developed industrialized nations to developing countries\textsuperscript{28}. The OAS Convention also stressed the importance of taking appropriate action against persons who commit acts of corruption in the

\textsuperscript{22} Pathak supra note 8, sec 3 Central Vigilance Commission Act 2003
\textsuperscript{23} See Pathak, supra note 8
\textsuperscript{24} Sec,8 Central Vigilance Commission Act 2003
\textsuperscript{25}Philippa Webb, United Nation Convention against Corruption: Global Achievement or missed opportunity\textsuperscript{26}J. INT’L Econ. L. 191, 193(2005)
\textsuperscript{26} Webb,supra note 25 at 193
\textsuperscript{27} Id
\textsuperscript{28} See Org. of Am. States, Dep’t of Int’l Law, Multilateral Treaties, B-58: Inter-American Convention against Corruption.
performance of public function. Comparing the OAS Convention to later regional treaties reveals that the OAS Convention's provisions less comprehensive and often rather general.

Organization for Economic Cooperation and Development's Convention adopted in 1997 on combating bribery of foreign public officials in International Business Transactions (OECD Convention) has 37 members. Together these members are responsible for 70% of World exports and 90% of foreign direct investment and are home to over 75% of multi national corporations. The OECD convention which entered into force in 1999 recognized the need for industrialized countries to take a stand against corruption, especially in the context of international business. Importantly, and unlike the OAS convention, the OECD convention included an implementation and monitoring system. The monitoring system is a two phase process. Phase 1 examines state's legal action implementing the OECD convention and whether such actions are adequate. Phase 2 takes a closer look at the institutions created to enforce the OECD convention.

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30 See, e.g. id. Art. 3 (2)
32 Webb, supra note 25 at 195
33 OECD anti bribery convention : entry into force of convention
34 See OECD convention, supra note 31 Pmbl
35 Id. art. 12: Webb, supra note 25 at 197
37 See OECD anti bribery convention : procedure of self and mutual evaluation phase-1, supra note 36
38 See OECD anti bribery convention: procedure of self and mutual evaluation phase-2 supra note 36
During 2003, the African Union passed the African Union Convention on Preventing and Combating Corruption.\textsuperscript{39} The African Union Convention aims to promote mechanisms to fight corruption in the public and private sector, to facilitate co-operation amongst state parties and to co-ordinate the policies and legislation relevant to corruption.\textsuperscript{40} The AU Convention created an Advisory Board of corruption to monitor the nations.\textsuperscript{41} Like the UNCAC, and the AU Convention requires that states parties create independent national agencies to combat corruption offences.\textsuperscript{42} However, it is discouraging that as of publication only 28 out of 53 African States have ratified the convention.\textsuperscript{43}

F. WORLD BANK GOVERNANCE AND ANTI CORRUPTION STRATEGY

In order to combat the menace of corruption, World Bank has pinpointed corruption as greatest impediments to economic, social and political development of every country. It also undermines development in all respects by distorting the rule of law, democratic structure and weakening the institutional foundation on which economic development depends.

The harmful effect of corruption is on massive scale on the poor who are the victims of corruption. The general especially belonging to lower income group are hardest hit by economic decline. Due to their massive

\textsuperscript{39} African Union Convention on Preventing and Combating Corruption, July 11, 2003, 43 I. L. M. 5
\textsuperscript{40} Webb, supra note 25, at 202
\textsuperscript{41} Id at 203
\textsuperscript{42} AU convention, supra note 39, art 5
\textsuperscript{43} African Union, list of countries which have signed, ratified/ acceded to the African Convention of preventing and combating corruption.
poverty, they are not in a position to pay extra burden associated with bribery, fraud, corruption and the misappropriation of economic privileges. Corruption sabotages policies and planning which aim to reduce poverty. So fighting corruption is critical to the achievement of World Bank overarching mission of poverty reduction. To reduce colossal impact of corruption in a greater way, it is important to go beyond the symptoms and machinery to deal with the causes of corruption.

Since 1996 World Bank has initiated more than 600 anti corruption strategies. World Bank has identified effective anti corruption strategy based on five essential elements.

1. Increasing political accountability. 2. Strengthening civil society participation. 3. Creating a competitive private sector. 4. Institutional restraints on power 5. Improving public sector management.

Following Statistics shows how different countries have been placed in their ranking as per corruption Perception Index surveyed during 2010 by Transparency International.

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SUM UP:

Corruption usually emanates from all level of administrative set up since it is global phenomenon. The decline of moral value and cultural heritage has led to the birth of corruption. The person who is placed in higher echelon is not serious to abolish or rather reduce quantum of corruption. So it is very difficult to expect society free from corruption.

Corruption was in vogue during British period and also prior to British period. In USA also till the beginning of 20th century, it can be brought down though it was not possible to eliminate corruption as a whole. According to Kautilya Arthasastra, there were forty types of embezzlement. It means almost theft of entrusted fund. Since independence, there had been substantial increase in the peddlers of influence. In primitive days, corruption used to take place when people wanted to get wrong work done but now speed money is to be paid even to get the right thing done. Public servant obtains gift or cash from general people and they take bribe in connection with day to day official work. Due to corrupt behaviour of public servant, general people are being deprived to get minimum services from them. Corruption may lead to law of anarchism where might is right. A person with unaccounted money and his illegal activities promote corruption because he can dominate the society.

Corruption has been flourished due to Chinese aggression, World War, Indo Pak War, Bangladesh War. In addition to such external aggression, flood, drought, earthquake, Tornado & Tsunami have been added to such problems. The scope of bribery and corruption amongst public servants had been considerably increased during World War and there were
golden opportunity for the unscrupulous officers to had amassed huge wealth during that period.

The existing laws on corruption attach importance to both preventive and punitive aspects. Ministry of Home affairs have taken some measures to combat corruption.

Corruption is antinational, anti poor and anti economic. Corruption is anti poor because 30% of food grains for public distribution system disappears and become available in the black market. It is antinational because persons who were bribed and allowed to smuggle RDX which caused death of several people in Mumbai. It is anti economic because as per report of CMS and Transparency International, one third of below poverty line house hold had to pay Rs.9000 million as bribe during 2007 for availing one or more public services. Due to above problems, corruption has become nationwide problems and it has reached monstrous shape.

Due to corruption, state fund is diverted and as a result services on health, education and transportation are directly affected and such diversion of fund by corrupt practices affect government ability to provide basic and essential services to general people. Corruption also undermines economic development by creating in efficiency and it creates economic distortion in the public sector by diverting public investment into central project where there is existence of bribery and kickbacks. Corruption also reduces the quality of government services and infrastructure and enhances budgetary pressure on government. Corruption increases the cost of business due to illegal transaction though some people are of view that corruption reduces cost by
cutting redtapism General people think that it is convenient to pay bribe rather than facing complicated and rigid regulation.

The corruption also prevails in Railways organization. Corruption dominates in some particular area such as allotment of wagon, booking of perishable and non perishable goods, awarding contract, purchase of store items and recently purchase of signal and telecom cables and high price loot by the quad cables. It has been reported that microburst's with import cash of Rs. 415/- were brought for Rs.4600/- and it is more than ten times. Dishonest contractor and supplier who want to deliver inferior qualities materials are ready to spend portion of illegally earned money. There is tendency in rejecting lowest tender by using discretionary power and such power has been used arbitrarily. There are some sensitive areas of government department which provided more opportunities for corruption than other departments. It has been observed that discretionary power has been vested upon high officials who apply their discretion arbitrarily and such power has been exercised in disproportionate to his limit and capacity. Corrupt officials are so skilful that they do not leave any evidence behind which they can be caught. They have expertise by their clever skill and nefarious activities, pollute the national fabric and create atmosphere congenial for corruption. Transparency International surveyed during 2007 and 2008 on 180 countries. The index showed from zero level to optimum level of corruption. As per above report, Denmark is reported to have been placed as "least corrupt country" where Somalia is marked as "most corrupt country". But according to survey made by Transparency Inter National during 2009 that corruption perception index showed that least corrupt countries are New Zealand, Denmark, Singapore, Sweden and Switzerland and whereas most corrupt countries are reported to have been marked as Iraq, Sudan, Myanmar, Afghanistan and Somalia.
There is some sensitive area of Government department which provides more opportunities more corruption than other departments. India is one of the most regulated economies in the World with the power concentrated in few hands. At present 20 million people hold public office, out of which less than 1% belongs group A officer's who enjoy enormous power and they exercise power over more than one billion people.

Delegates from all over the World assembled in Mexico in 2003 to sign United Nation Convention against Corruption. United Nation General Assembly passed resolution adopting United Nation Convention against Corruption to curb the menace of corruption started with domestic laws. While the passage of United Nation Convention against Corruption is historical event in the International law is only the first step towards halting corruption. India, the largest democracy in the World is the signatory to United Nation Convention against Corruption but still has not ratified it. India desperately needs to ratify the above convention and modify its domestic laws to implement it. Government of India ignores some of the most critical components of above convention such as Arts 6, 30 & 36.

In 1996, Organization of American States adopted Inter American Convention against Corruption, the first agreement to bind multiple nations; it had 22 members including USA. OAS Convention emphasized the importance of taking appropriate steps against persons who commit acts of corruption. In 2003, African Union passed African Union Convention on preventing and combating corruption. Such convention aims to promote device to fight corruption in public and private sectors.
In Bangladesh, 40% people are living below poverty line. As per Transparency International report, Bangladesh has become most corrupt nations for five consecutive years commencing from 2001. In Bangladesh corruption mostly prevails in land survey department. Thousand of suits have been filed in different courts due to illegal occupation of land. Bangladesh has become fertile ground of corruption since independence. All public institutions are affected by bribery and corruption and all these corruptions are the product of good governance and majority of nation’s populations become the victim of corruption.

In Pakistan, corruption remains main obstacle for economic development in the country. Petty corruption and grand corruption are dominant in law enforcement, procurement and provision of public services. The judiciary is not immune from corruption and is also shielding corrupt political practices. Sudden dismissal of Chief Justice including other judges of Supreme Court has led to violent civil unrest throughout the entire country which has tarnished the image of judiciary in the mind of general people. In between 1990 & 1999, two Prime Minster of Pakistan were dismissed on the ground of corruption and terrorism. But subsequently they have been pardoned. In most of the cases, allegation of corruption is suspected to be motivated by political reasons. Pakistan has taken steps to fight corruption since dawn of independence. Government anti corruption initiatives after 2002 commenced with the design and implementation of National Anti Corruption Strategy initiated by National Anti Corruption Bureau. But its result is far from satisfactory. Because policy recommendation that has been initiated is without any concrete plan. In order to combat corruption from the country, Pakistan Penal Code was passed in 1960, Prevention of Corruption Act was passed in 1947 and National Accountability Ordinance was passed in 1999.
In China, China's anti corruption watchdog has said that 106,000 officials were found guilty of corruption in 2009. It has been reported that the number of government officials caught embezzlement of more than 1 million Yuan ($146000). Corruption is rated as number one concern by Chinese for pirated goods. A number of senior executive are being investigated or have been convicted for taking bribes or other charges such as falsifying accounts. The head of China National nuclear corporation, the country's nuclear industry was dismissed and is under investigation over allegation of bid rigging in nuclear power plant. The reports states that the system of government appointing executive to State own Corporation and lack of subsequent supervision encourages corruption. The source of corruption in China derives from highest economic growth following extensive economic reforms made in order to progress towards an open economy, the incomplete nation and inconsistent application of these reforms and aspects of Chinese cultural tradition and norms rooted in Confucianism. China is constantly making new legislation, regulation and revising already existing laws to combat the menace of corruption. Many foreign companies in China have developed anti corruption strategies outlying specific value limit for gift in order to avoid corruption. Trade Council of Denmark- China provides practical and experience based anti corruption tools for companies operating in the Chinese Market.