CHAPTER - II

INCIDENCE OF CORRUPTION
CHAPTER - II

INCIDENCE OF CORRUPTION

Disciplinary Powers And Incidence of Corruption: - Creation of a clean and ideal society is possible only by members with strict adherence to a high standard of ethical behaviour. There is sufficient scope for civil servants to remove corruption from the society by efficient and honest discharge of their official duties with a high sense of dedication and integrity. But, it becomes a crying need of our society. The civil servants taking responsibilities of managing the affairs of public interest are not endowed with a high sense of dedication and integrity in equal measure. The scope of exercising power for honest and efficient service is being utilising for selfish ends by different categories of government servants. Scope for personal discretion in the exercise of power vested on them makes the problem more acute. There is scope for harassment, malpractices and corruption in the exercise of discretionary powers.

The civil servants who run the governmental agencies may not be able to change the laws, but
they can change the ways the laws are carried out. And although most civil servants who are to exercise their discretionary powers lack the political influence of elected officials, they are free from the focus of public attention and therefore safer targets for corruption. It would not be possible to completely eliminate discretion in the exercise of powers, but it can be reduced to the minimum, by devising a system of administration for exercise of personal discretion consistently with efficiency and speedy disposal of public business. It is necessary in this direction to devise adequate methods of control over exercise of discretion. Such control measures should be on the basis of the needs of the situation.

**Corruption Amongst Professionals and Technical Service Personnel:**

There is a wide scope for professionals to exercise corrupt practices. Professionals and technical personnel are dealing with matters of specialisation on which others have little or no command. As such there is enough scope for those personnel to exercise corrupt practices for their personal gains. On the contrary the illegal activities of professionals
received far less attention. Professional organisations often claim that greater outside supervision would be nothing more than unnecessary meddling in their affairs, because the professions police themselves being specialised in nature and extent. It is also true that the professional and technical organisations such as lawyers, physicians, engineers, scientists do have great power to regulate their members principally through control of professional licensing. But, when the interest of the public clashes with that of the profession, this power is used repeatedly to protect the profession and its individual practitioners. It is obvious that, professionals who violate criminal law, violate public trust are seldom faced with sanctions from the agencies of professional self regulation. Professional groups generally have succeeded in keeping the criminal offences of their members out of the criminal justice system. By their very nature of specialisation, the occupational duties of many professionals are complex and difficult for the outsider to understand. Even in the best of circumstances a criminologist or a police investigator might have considerable difficulties in determining the self-serving actions of a particular practitioner were bad judgement or outright fraud. The
Professional mistification is helpful not only to insulate professionals from the outside meddling of the criminal justice system, but from the complaints of their customers as well.

Compared to other workers professionals are enjoying a high degree of individual autonomy. Self regulations give many advantages for the professionals, but few for the general public. Similar to administrators, professionals of self regulation have generally shown great leniency towards the offences against strong sanctions at their disposal.

The problem of corruption stands in acute form in medical and engineering professions. Unnecessary medical procedures are not only costly, but pose a serious threat also to the health and even the life of the patient. The temptation to make extra profits by performing unnecessary procedures is always present. Another threat from medical profession arises due to deliberation in supply and purchase of adulterated drugs from black listed manufacturers. The problem of adulteration of drugs and also of production of sourious and sub-standard drugs are now-a-days posing serious threat to the health of the community. Such adulterated and sub-standard drugs are being purchased and
supplied to the government health care centres by the officials of health departments to gain profits in terms of commission from the manufacturing companies concerned. Engineering departments are also equally footing in corruption. The procedures and works of such departments are monopolised the profession of technocrats. In a majority of cases, the anxiety to avoid delay has encouraged the growth of dishonest practices like the system of "speed money" which has become a common type of practices particularly in matters relating to the award of contracts etc. 4

Other professionals like lawyer, accountants, forestry, veterinary and animal husbandry, fisheries, public health, excise, transport etc. also are practising corruption in a rampant way.

Corruption Amongst Administrators:

Administrative delays are one of the major causes of corruption. Quite often delay is deliberately

contrived so as to obtain some kind of illicit gratification. Administrative delay must be reduced to the utmost extent possible and firm action should be taken to eliminate all such causes of delays as it provides scope for corrupt practices. Administrators are vested with discretionary powers and its extent limits according to the categories. Discretionary powers are exercised by different categories of government servants having administrative responsibilities. All such government servants are not endowed with a high sense of dedication and integrity in equal measure. In discharging duties with discretionary power, a government servant can act with corrupt motive. There is scope for harassment, malpractices and corruption in the exercise of discretionary powers. Functioning of a public office is not an easy task under the prevailing circumstances and at the same time it is not possible to completely eliminate discretion in the exercise of powers. But, it should be possible at any cost to devise a system of administration which would reduce to the minimum. Any reform in administration should be aimed at enhancing efficiency and speed of disposal of public business.

Bureaucratic corruption is as old as government office. We hear of it in Babylon and in Rome, in classical India of the third century B.C., in the pre-Reformation Catholic Church and in the Spanish Empire, to come no closer to our own day. In a phase corruption is perennial and ubiquitous, to be found in any and all systems of government. The problem therefore is not to account for its presence, but rather for its extent in a specific situation at a particular time.

As for the Dutch East India Company, an official investigation after its collapse found that, there were very few offices in India whose occupants could exist on the legal income. India has the longest history of anti-corruption work. Even though the situation in India on corruption did not improve. Corruption in lower level indirectly ignored by the superiors due to the fact that they are underpaid and there is little or no possibility of the government ever providing them with adequate salaries and petty corruption is tolerated to allow them to make ends meet. But, in case of gazetted officers, the spread of corruption among them

has called for counter measures. It has never been alleged that salaries for this group were too low, in the conventional sense of being insufficient to support a customary standard of living. It was rather that the opportunities with which they were presented suddenly proliferated. This first occurred during the Second World War, when controls were imposed on the economy. With the independent India and the coming to power of the Congress Party, they were increased in pursuit of socialist goals. Furthermore the state invaded over more sectors of the economy; the banks for instance were nationalised in the year 1970 by the then Prime Minister of India Mrs Indira Gandhi. All this, as might have been predicted, led to a considerable increase in corruption amongst civil servants. It is obvious that the amount of corruption in the administration is less than public belief would allow. In any one year, not more than one percent of gazetted officers is allowed to be guilty of corruption. The number against whom a case can be established, and who can then be convicted is even smaller. Inspite of having establishments to control corruption, it has not been reduced. For this there seems to be two reasons. First, opportunities continue to abound. To take only a few instances, licenses
and permits are required for a great number of activities, contracts have to be placed for supplies, the nationalised banks extend credit to cultivators. Those departments that deal most directly with the economy like the department of finance, Railway, Communications etc. are the most corrupt. The CBI report for 1980 gives details of cases dealt with in the courts. Of 172 convictions, fifty three (31 per cent) were of officials from the Ministry of Finance (thirty six being from the public sector banks), twenty five (15 per cent) from the Railways, Twenty one (12 per cent) from the Ministry of Communications (mainly Posts and Telegraphs) and fourteen (8 per cent) from the Ministry of Defence.7

Prevention of Corruption in the administration is primarily the responsibility of departmental heads. However their position hardly encourages them to give it absolute priority. Political corruption is also directly or indirectly linked with administrative corruption. Corrupt politicians are unable to demand honesty in their civil servants with any

degree of conviction. Rather they serve as a model and an excuse for the corrupt official. And it must regretfully be recorded that political corruption in India is increasing and involves even the very highest levels of government. One cannot therefore expect any policing effort to come from that quarter. Another lacuna for enhancing corruption in administration is that the administrators have the opportunity to suppress corruption practised by their colleagues. In most of the cases it seems that the administrators are reluctant to take any action against corrupt activities of their subordinate colleagues. Corruption cannot be controlled in a country where administration itself is corrupted.

Under the prevailing system of administration, the number of bureaucrats has increased enormously with the result that decisions are avoided, responsibility shrunked and papers are floated up and down the hierachial ladder, thus delaying decisions and keeping people waiting for unduly long periods. The bureaucracy must be made accountable not only for its actions, but also its inaction in view of the current tendency that safety and profit lie in doing nothing. So, it is necessary to have an inspection agency that would carry out random checks at all levels of the administration to ensure quick disposal of cases and detect corruption
and delay at all levels. The present system of job security irrespective of performance is to be modified. Promotion on the basis of seniority alone removes any incentive for outstanding work. Efficiency, honesty, merit and performance are to give more importance than to mere seniority at all levels specially at the higher echelons.

Corruption existed in the pre-independence era also in some form or other. After independence the old bureaucratic framework retained. The reason for this is that we were accustomed to this type of administration. In the independent India the people came to tolerate corruption as a normal feature of public life. The unconscious sanction of corruption at various levels of administration is the outcome of some important factors out of which, rise of the get-rich-quick politicians, earning of wealth by dishonest employees and high taxation leading to temptation to bribe or to take bribes are prominent.

Now a days it is open secret that only a few departmental officers are free from corruption. Public services are polluted with corruption for personal gain without considering for national development.
Political Corruption:

The fall of integrity among ministers are common. Some have enriched themselves illegitimately, obtained good jobs for their sons and relations through favouritism and nepotism. In India's democratic polity, corruption has been a perennially live issue even before the advent of Rajib Gandhi with his involvement in a series of bribery scandals from Boeing to Bofors. Morarji Desai as the Deputy Prime Minister in the Indira Gandhi Government was accused of conniving at his son's dubious ways of getting rich quick by trading favours with business houses. The accusers belonged to the ruling Congress Party itself even when they were formally levelled by an opposition politician like Madhu Limaye. Subsequently as the Janata Prime Minister, Desai was put in the dock by his Number Two in the Cabinet, Choudhury Charan Singh. The different Communist factions in Kerala charged one another with corruption and bribery. 8

Corruption amongst politicians is in existence throughout the world. In Pakistan when Field Marshal Ayub Khan seized power in 1958, the burden of

his case against the deposed politicians was that they were corrupt. About a decade later, Zulfiquar Ali Bhutto spearheaded the campaign to oust Ayub Khan on a plank of anti-corruption. In 1977, Bhutto himself was at the receiving end of malfeasance charges and so was his successor and executioner, General Zia-Ul-Haq. The successor of Zia-Ul-Haq, Benazir Bhutto and her political opponents similarly levelled with trade corruption charges with basis. In India also corruption amongst politicians has been a continuous process. There was a subtle, if not ingenious method of collecting bribes perfected by Kasu Brahmananda Reddy, an ex-Governor of Maharashtra and ex-Chief Minister of Andhra Pradesh. The late Damodaran Sanjivai, who was the Congress President tried to prevail upon Indira Gandhi, then Prime Minister of India to drop Reddy, but in vain. In fact he had risen higher in the hierarchy and was made the Union Home Minister before and during the 1975 Emergency. Abdul Rehman Antulay, an ex-Chief Minister of Maharashtra was charged with gross misconduct of corrupt practices during his tenure as Chief Minister, for the period from 1980 till he submitted his resignation on January 12, 1982. It is broadly alleged that the accused who was the Chief Minister of the
State of Maharashtra between the period from August, 1980 to September, 1981 conceived a scheme of grandisement involving obtaining of funds from the members of the public and putting them substantially under his own control for the disbursement of the funds so obtained. The complaint proceeded to refer to the setting up of various trusts and alleged that the cornerstone of the scheme involved receipt by the accused of illegal gratification other than legal remuneration as a motive or reward for doing or forebearing to do any official act, or for showing or forebearing to show in the exercise of his official functions, favour or disfavour to persons, or for rendering or attempting to render any service or disservice to such persons who dealt with the State Government in general and with public servants who formed part of the Government. It was specifically alleged that the scheme devised by the accused was a fragrant abuse of his official position as Chief Minister for obtaining control over funds which would be used for purposes conducive to the interest of the accused himself. Not only Prime Ministers, the Union Ministers and other cabinet colleagues of State Governments are not free from corruption except in few rare cases. The variations in voices against corruption of political leaders from State to State seems
appeared, various types of corruption charges against Assam Ministers also levelled from the past though in lenient persuasion.

In June, 1962, the Government of India constituted a Committee on Prevention of Corruption, headed by K. Santhanam, M.P. In its unanimous report, the Committee found that the ultimate source of corruption were (i) Ministers (ii) Legislators (iii) Political parties and (iv) Industrialists and Merchants who seeks favour from these three. The fall in integrity among Ministers is not uncommon. But the Committee's recommendations regarding these ultimate sources of corruption have not received serious attention. Black money earned by concealing income for the purpose of tax evasion is growing at a fast rate. According to findings of International Monetary Fund (IMF), the quantum of black money in India is about fifty percent of GNP in 1984 and generating at the rate of rupees two crores per hour. Prof. Kaldor in his report on Indian Tax reform submitted to the Government of India in 1953-54, estimated that the amount of black money was of the order of Rs. 600 crores or six percent of GNP at market prices. In the sixties, the Government instituted The Direct Tax Enquiry Committee (DTEC), popularly
known as Wenchoo Committee, to have a fresh look at the matter. This Committee mainly adopted the methodology of Kaldor and later submitted its report in 1971. According to DTFC, the amount of black money generated in 1968-69 was of the order of Rs. 1400 Crores (4.2 per cent) of GNP. Another major cause of corruption in India is the use of black money in election by the political parties. The ceiling on election expenses for a Lok Sabha seat is Rs. one lakh, while for a State Assembly seat is Rupees fifty thousand. Sri B.K. Nehru, a seasoned bureaucrat said in a public lecture in 1980: "It was estimated that the cost of an election in a Parliamentary Constituency was Rupees five lakhs to Rupees twenty lakhs and that in a State Assembly Constituency between Rupees one lakh and Rupees five lakhs. There were 542 elected members to Lok Sabha and 3553 members of State Assemblies. The total cost to the parties and the candidates was colossal. The system has tended to generate into a more direct relationship between the money contributed and the favour granted. Once this nexus was accepted as a valid commitment of the democratic culture, nor even the most powerful leader could stop the advance of corruption."

On the basis of B.K. Nehru’s lecture ,
the total amount of black money invested in general elections for both Parliamentary and State Assembly seats will be of the order of Rs. 1300 Crores. The then Chief Election Commissioner, S.L. Shakdhar wrote in an article in 1980; "It is said that money comes from businessmen, big and small, foreign countries and all sorts of questionable sources. It is not my purpose to fathom this. But there is a feeling that elections are tainted with money illegally obtained and this creates a doubt whether elections are indeed free, fair and pure." Those who entered politics must be honest and educated in policy rather they hard put to it to enunciate what the election manifestos of their respective parties. The corrupt politicians are very much interested to sit in legislatures in the pursuit of power only. Sri N. Sanjiva Reddy after assuming the office of the President of India in 1976 stated that - "the generation of black money and its related off shoots such as corruption in elections, demoralisation of public services and deterioration of standards in public life life should be curbed with a strong hand." The Choksi Committee set up by the Government of India on direct taxes has in October, 1978 submitted a voluminous report covering both substantive and management problems. The
Committee has recommended enactment of a single, integrated code to cover the administrative and management of four main direct taxes - income tax, gift tax, wealth tax and surtax on company profits. But, the decision of the Government under the taxation laws Act, 1978 to exempt political parties from wealth tax as well as from income tax, keeping aside the recommendations of the Choksi Committee is quite disappointing and showed a critical biasness. The Administrative Reform Commission has considered the question of corruption at the political level. It has suggested a permanent authority to keep a continuous vigilance over Ministers, by setting up a Lokpal on the same model as the "Ombudsman" in the Scandinavian countries. A new Bill should provide that action initiated on the recommendation of the Lokpal should be supervised by an authority independent of the Government.

Corruption At Lower Echelons:

It may be concluded that bribery and corruption in present day India is not only widespread, but also is accepted as a normal business practice in many segments of the economy. There is however no reliable way to gauge the true extent of the problem. In India
the attitude of the people is one of apathy and can be described in various names. A bribe taken by a peon is called 'bakshish' and by a clerk 'mamool'. At higher level it is called 'rishwat'. The bribe givers are also responsible to the aggravation of the problem. He may not expect anything done unlawfully. But he wants rapid movement of files and quick decisions. Some members of the staff in an office have got into the habit of not doing anything till they are suitably rewarded. Some clever officials and dealing clerks raise frivolous objections or questions of queries to deliberately delay matters. Ultimately public are harassed by such anti-social officials and clerks in every sphere of life.

The main cause of corruption at lower echelon is estimated to be of economic necessity. Economic necessity has encouraged some who could not resist temptation. It is noted that the procedures and practices in the working of Government offices are cumbersome and delatory. The anxiety to avoid delay has encouraged the growth of dishonest practices like the system of speed money. Not only for movement of files, in other matters also, taking of bribe at lower level and its links with officials upto certain level is a common feature. Scope for corruption is greater and the incentive to
corrupt stronger at those points of the organisation where substantive decisions are taken in matters like assessment and collection of taxes, determination of eligibility for obtaining licenses, grant of licenses, ensuring fair utilisation of licenses and goods obtained thereafter, giving of contracts, approval of works and acceptance of supplies. It is not always the Government servant who takes the initiative in the matter. Frequently enough it is the dishonest contractors and suppliers who having obtained the contract by under-cutting want to deliver inferior goods or get approval for such sub-standard work and for this purpose, are prepared to spend a portion of their ill earned profit. Corruption at lower levels becomes intensive in offices where the controlling officer himself is corrupt and inefficient. An inefficient officer is generally working on dictation of dealing clerks who are overpowered the officer due to weakness in rules and procedures. This is specially true where public office is occupied by underqualified, incompetent or even corrupt officials who enjoy protection of powerful patrons.