

# The Status of Corruption in Chennai District

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## ABSTRACT

Corruption is a multifaceted phenomenon which makes it difficult to have a single definition. There are several schools of thought on the degree of impact of corruption, but there is a consensus that corruption stifles growth, hampers development, worsens income inequality, and affects poor people the most. The development of a country depends on four aspects, namely, growth in agricultural production, development in the industrial activities, maintaining a huge amount of foreign exchange reserves and possessing adequate gold reserves to strengthen the financial activities in the country. These four aspects play an important part in the progress of a country. In fact, almost all the developmental activities are marred by corruption. Most of the funds allotted for various programmes and policies are siphoned in the name of implementation and the desired results are not achieved within the stipulated time. The well-known reason is corruption. It is prevalent everywhere and Tamil Nadu State is not an exception to this one. Generally, Bureaucrats are supposed to play a pivotal role, but in the words of Nobel Laureate Economist Amartya Sen “bureaucrats exercise discretionary powers in the absence of rules due to an incomplete contract situation which often leads to corruption,” says Nobel Laureate economist Amartya Sen. Further to say that India’s anti-corruption institutions have been facing a growing shortage of resources of varied nature from funds to personnel. To reduce corruption citizens trust is a must and more importantly simplified government procedures are the need of the hour in reducing corruption in essential services,” said B.K. Chaturvedi, a former cabinet secretary who headed several committees on governance reforms. There are three pillars considered essential for the country’s growth, namely, the legislative, the executive and judiciary. These pillars when they are deviating from the established righteous path, corruption erupts to an unimaginable level. The present study focusses on Tamil Nadu State primarily and the outcome of the study shown by way of using simple percentage analysis.

**KEYWORDS:** Corruption, Policies, Procedures, Pillars and inequality of income

## INTRODUCTION

The development of a country depends on four aspects, namely, growth in agricultural production, development in the industrial activities, maintaining a huge amount of foreign exchange reserves and possessing adequate gold reserves to strengthen the financial activities in the country. These four aspects play an important part in the progress of our country. The success of all the four things are interrelated and due diligence must be paid carefully towards all programmes for the development. Planning various programmes is important and furthermore important is in its timely execution.

All the developmental activities are marred by corruption. Most of the funds allotted for various programmes and policies are siphoned in the name of implementation and the desired results are not achieved within the stipulated time. The well-known reason is corruption. Its role is too much in all spheres and poses a great danger in the country. Even in Tamil Nadu State, all the welfare programmes are delayed or not meeting its established targets on account of corruption. Anything to do, instead of planning what and how well to do a business or something like that, due care and diligence should be given to the term corruption because it is omnipresent and most powerful.

An increase in income alone would not help much in the reduction of corruption but rather it requires strengthening of anti-corruption institutions with suitable infrastructure facilities to maintain it in full swing with the help of e-governance, skilled manpower, simplified procedures and to reduce discretionary powers of the bureaucrats. “Often bureaucrats exercise discretionary powers in the absence of

rules due to an incomplete contract situation which often leads to corruption,” says **Nobel Laureate economist Amartya Sen.**

Further to say that India’s anti-corruption institutions have been facing a growing shortage of human resources, which puts a question mark on the government’s sincerity in fighting corruption. In India, the judge to population ratio is at 17.86 judges per million people against 50 as recommended by the Law Commission in its 1987 report. The Central Vigilance Commission, as on 31 December 2016, has a shortage of 27.77% personnel in Group “A” posts and 28.57 % in Group “B” posts when compared to the sanctioned strength. Similarly, the Central Bureau of Investigation also faces a shortage of 1,584 officers against the sanctioned strength of 7,274 as per the latest data from the department of personnel and training.

The critical need for trust in citizens and simplified government procedures are also important for reducing corruption in essential services,” said **B.K. Chaturvedi, a former cabinet secretary** who headed several committees on governance reforms. And the institutions are also tainted. The CBI, for instance—one of the watchdogs—is like a “caged parrot speaking in its master’s voice” as per the Supreme Court.

## Three Pillars

There are three pillars considered essential for the country’s growth. These pillars when they are deviating from the established righteous path, corruption erupts to an unimaginable level.

The first pillar, namely, the legislative consisting of elected people is responsible for creation of corrupt practices on account of floor crossing which ultimately cost the exchequer to a greater extent. The second pillar is ministers who makes laws to govern the people, may at times, corner the money with various dubious programs meant for the common people. The bureaucratic who is well known for red tapes, complicated procedures, poor transparency in various policies and programs are also responsible for more corruption activities. The third pillar, judiciary is highly responsible for unleashing corrupt activities and corrupt people by freeing from the clutches of law by their own judgements, at times may not be worthy of their tall stature.

### Meaning of corruption

Corruption is a multifaceted phenomenon which makes it difficult to have a single definition. There are several schools of thought on the degree of impact of corruption, but there is a consensus that corruption stifles growth, hampers development, worsens income inequality, and affects poor people the most. The World Bank measures corruption on a scale of -2.5 to +2.5 with higher index value meaning lower corruption.

It may be referred to as the abuse of entrusted power for private gain in any form. It may also be referred to the act of dishonestly receiving unmerited favors from an individual, company, or government. The person giving the bribe is usually the one looking for the favor.

Such people may also be in a superior position that gives them power, authority or influence, and they use the same for selfish or personal benefits.

Corruption is an ambiguous subject to address because it can take place in a very organized and discreet way. Moreover, there are many types of corruption that range from small favors, which may be termed as trivial, to mega scandals that embezzle huge funds and resources. Here is the low-down about the different aspects of corruption.

### Nature of the study

The above captioned topic “**The State of Corruption in Chennai Region**” is a research paper undertaken in Chennai region. This paper tried to elicit the perception of corruption in the minds of people from different walks of life. Lot of inputs was provided by them to eliminate corruption in the society which plays havoc in individuals’ life to a greater extent.

### Objectives of the study

1. To study the current status of corruption in the country.
2. To analyze the trends in corruption activities.
3. To identify the causes of corruption.
4. To find out the people’s attitude towards corruption.

### Methodology

The present study is purely based in primary and secondary data. The primary data is in the form of questionnaire wherein people from different walks of life were considered for the study. The inputs provide by them were arranged in an orderly manner for analysis purpose. The secondary data constitute published reports from various organizations, magazines and newspapers.

### Limitations

1. The period of study is limited to 6 months from May 2018 to October 2018.
2. People from the age of 25 years to 55 years were considered.
3. People who are searching for jobs and presently working in different sectors alone were taken in to account.
4. Both male and female numbering 275 were considered for the present study.

### Analysis of data

The data so collected were analyzed by simple statistical tool to find out the perception about corruption in the minds of the people. The outcome considered as the basis for framing suggestions for the removal of corruption in the society.

**Table - 1 Nature of Leaders**

Si no.	Question	Response	Percentage
1	There is no moral values and ethics on the part of leaders		
	a. True	241	88
	b. False	34	12
	Total	275	100

(Source - Questionnaire)

From the above Table 1, which relates to the Nature of Leaders, 88 percent of the people mentioned that the present rulers are not possessing the required minimum moral and ethical qualities in the public life. And further, 12 percent of the people opined that some of the leaders possess the same and they are working for the common people with utmost interest and care.

But if you consider in total, majority of the leaders are lacking in these values which are expected from them once they started their public. In fact, these things are somewhat inborn qualities, some others learn from others and some people start realizing their own by comparing with other leaders who are revered and respected by the people. In a nutshell, we can say that the present leaders’ attitudes are far from satisfactory considering the above values.

**Table -2 Causes of Corruption**

S. No.	Question	Response	Percentage
2	Poverty and illiteracy are the root cause of corruption		
	a. True	243	88
	b. False	32	12
	Total	275	100

(Source - Questionnaire)

The Table 2 relates to the causes of corruption in the State. People who have been interviewed, 88 percent mentioned that poverty and illiteracy play a direct role in the corruption and 12 percent of the people stated that these two alone are not reasons for the cause of corruption, but other aspects are also related to it.

Owing to poverty people are not able to acquire the basic knowledge of functioning in their day to day life. They are finding it very difficult to get their legitimate work done with so much of difficulties leading to toiling of their time and energy. Leaders are capitalizing the poverty state coupled with illiteracy and minting money like anything. Even the simplest tasks of the common people are made somewhat cumbersome and snatching their hard-earned money to provide their legitimate requirements. In short Government should take utmost care in eradicating poverty and illiteracy among the masses with suitable time bound programme.

**Table -3 Education and Corruption**

S. No.	Question	Response	Percentage
3	To eradicate corruption in the country, the role of education is important		
	a. True	259	94
	b. False	16	6
	Total	275	100

(Source - Questionnaire)

The Table 3 shows the relationship between education and corruption. The importance of education was mentioned by almost 94 percent, and only a paltry 6 percent not agreed to that point.

True to say that a good education will nurture good habits and makes them to think everything for the welfare of all. The present-day leaders do not possess broad minds in their approach to various problems. In a country when teachers are given due respect, the learning atmosphere will be conducive to make people to learn well. Not only the memory aspect of learning but also the analyzing and thinking capacity are considered as an essential one in good education. This alone will facilitate people to take some concrete decision, be in the personal life or in the public life. One who learned well, will be considered as the embodiment of knowledge and anything said or done will, undoubtedly, be of good for all.

In fact, the real education is related to attitude and behavior with others. It defines the entire personality, no matter how qualified a person is, and a little bit of analytical capacity is needed while dealing with the public cause.

**Table -4 Need for removal of Corruption**

S. No.	Question	Response	Percentage
4	Speedy clearance of corruption cases is important		
	a. True	253	92
	b. False	23	8
	Total	275	100

(Source - Questionnaire)

The need for removal of corruption appears in Table 4, wherein 92 percent stated that corruption cases pending should be closed as early as possible and 8 percent mentioned that there is no need to be hurry in closing the same.

Overall, speedy clearance will be considered good for various reasons. When the cases are dealt with firmly, and actions are initiated within a short duration, it will result in fear psycho in the minds of people who are accustomed to corruption attitudes, by hook or crook. It is the duty of the Government to identify knowledgeable people and give respect to their knowledge by placing them in a responsible place. When such things are done, people will automatically sincere in their work, and do only the righteous way. In such circumstances, actions may be initiated well in advance and to see that the real culprits are booked and punished, which will be a lesson for others.

**Table -5 Transparency and Corruption**

S. No.	Question	Response	Percentage
5	Transparency is the best solution for corruption		
	a. True	238	86
	b. False	38	14
	Total	275	100

(Source - Questionnaire)

The above Table 5 relates to Transparency and Corruption. Of the 275 people who were considered for the study, 238 people with 86 percent mentioned that transparency is needed in all acts undertaken by the Government and the others in general. And people with 14 percent said that transparency may not be needed for eradication of corruption in the society.

Transparency in procedures will make people to find out the time it takes in a job. Once, it is clear, there is no need to pay anything extra to others. People, who are in the habits of corruption mentality, will find it difficult to cheat people. One day or the other, they will be forced to accept the righteous way of functioning.

Rules, regulations, and procedures should be simplified and be made known to people in print and electronic media time and again. Any changes in rules and regulations must be informed to the people immediately to avoid paying money to get their due job done. Timely informing will go a long way in educating the people, and these people may not be witnessing the corruption before the unscrupulous people.

**Table -6 Changes in Government and Corruption**

S. No.	Question	Response	Percentage
6	Change of government at the center increases the corruption		
	a. True	259	94
	b. False	16	6
	Total	275	100

(Source - Questionnaire)

The above Table 6 implies to Changes in Government and Corruption scene in the country. It is with great pain to note that 94 percent of the people raised their voice in relation to increase in corruption due to changes in Government once in five years. At times, the duration of the Government may be less than the established duration of five years, which may

be due to political problems. Only 6 percent not supported the idea of increase in corruption due to changes in the Government.

The fact of the subject matter is when a Government plans some programmes and allocation of huge amount takes place, rarely will it see the light. The completion of the programmes at times may be dragged to more than five years. In such cases, the same party which is in power, won the election and assumed the power subsequently, there will not be, rarely, any increase in cost of the programmes. Even when it increases, it may be limited to minimal level.

On the contrary, when a new Government assumes power, the plans and programmes of earlier Government may be cancelled out rightly, leading to wastage of public money. The new Government which is in power may start a new programme and, naturally, there will be ample room for corruption. Unnecessarily, public money is being wasted. If they are morally good enough, continuation of earlier programmes will be of something an appreciable act. But it rarely takes place in the country, and thereby corruption becomes the order of the day.

**Table -7 Employees and Corruption**

S. No.	Question	Response	Percentage
7	Lower level of employees' resort to corruption on account of high inflation		
	a. True	217	79
	b. False	58	21
	Total	275	100

(Source - Questionnaire)

The Table 7 denotes employees and corruption. It has been noticed that 79 percent of the people mentioned that corruption is on the high, in terms of number, at lower levels and nearly 21 percent of the people disagreed to that idea.

When the economy is dull, and the market is of negative, things may not be good in the society. People, who are having regular fixed income, will be affected a lot due to increase in prices and high inflation rate. People may be finding it difficult to lead a happy life and resorting to short cut method of earning which ultimately increases the level of corruptions. To tide over this situation, a just and reasonable pay is of highly required and the government should lend their ears to various associations raising voice for the cause of these people, in terms of providing financial benefits.

**Table -8 Complex laws and procedures and Corruption**

S. No.	Question	Response	Percentage
8	Complex laws and procedures increase corruption attitudes		
	a. True	237	86
	b. False	38	14
	Total	275	100

(Source - Questionnaire)

The above Table 8 deals with complex laws and procedures and corruption. Wherein it has been mentioned that 86 percent of the people mentioned that complex laws and procedures are adding fuel to corruption. But on the contrary only 14 percent of the people not favoured the above aspect of increasing the corruption status.

It is widely known that people who are prone to corruption attitudes are escaping the clutches of law due to unclear nature of laws and under hand dealings with the higher officials. Even the law makers, at times, finding it very difficult to cope up with the laws and procedures while dealing with the corrupt people. In connivance with the politicians and higher officials, these people are finding it easy to do corrupt practices, without any difficulty. No laws are daring enough to reach the corrupt and put them behind the bars. By making laws and procedures simple, eradication of corruption may be possible to some extent.

**Table -9 Public awareness and Corruption**

S. No.	Question	Response	Percentage
9	Public awareness about corruption is very poor in the country		
	a. True	203	74
	b. False	72	26
	Total	275	100

(Source - Questionnaire)

From the above Table 9, it gives a glimpse about the extent of public awareness about corruption attitudes. Out of 275 people contacted for this purpose, 74 percent of the people said that people are not showing any reactions to the corrupt attitudes and 26 percent mentioned that public awareness is there towards corrupt practices.

The practical point is that, people who are somewhat educated are finding it difficult to deal with the corrupt people. The main reason being, they are having muscle power and money power and the real mind power of the educated are not equal to that level. Dealing with these people, may result in loss of life, and other problems in the family circle. That is the reason; they are not ready to take any action against these people. They are just a silent spectator for all the happenings in the society. Even the law maker and protector of public are also in line with the corrupt people. In these circumstances, the role of Government is important in dealing with such corrupt people.

**Table -10 Technology and Corruption**

S. No.	Question	Response	Percentage
10	Use of technology-based activities will reduce the level of corruption		
	a. True	214	78
	b. False	61	22
	Total	275	100

(Source - Questionnaire)

The Table 10 shows the relationship between technology and corruption. The importance of technology was felt by the people very much. 78 percent of the people said that technology will reduce the corruption and only 22 percent of the people said that it may not solve the corruption problem to a greater extent.

To go still deeper into that concept, people are indulging in corrupt methods on the ground that the money earned by them may not be reflecting in their regular bank account. For the purpose of income tax, amount reflecting in the bank account, normally, considered to be the regular income and accounted for tax purpose. Income earned by other means, not as per the law of the land, escapes from the original tax net. When the income is narrowed down, and that too, making only one way of getting and receiving, through proper bank account, the magnitude of corruption can be minimized to a greater extent.

All receipts and payments when routed through bank account, considered to be a legal one, and there is a possibility of eradicating corruption soon. Even when any income not forming part of the bank account, if noticed, the law enforcing authorities must be so strict in taking punitive actions against those culprits.

### Findings of the research study

1. The present-day leaders are not having any moral and ethical values in their day to day functioning with the people.
2. As population is on the increasing trend, which added more fuel to the problems of population and poverty.
3. The Government machineries dealing with the corruption charges are not equipped with qualified and dedicated people. Instead of working for the common cause they are having illicit relations with the corrupted people and living for their sake, and not for others.
4. The present-day rules and regulations are cumbersome in nature and dealing with the corrupt people, almost a herculean task.
5. A reasonable pay, especially, at the lower level should ensure a good standard of living. This will make them to stand away from the corrupt practices.
6. The General publics are finding it difficult to deal with the corrupt people in all possible ways, as per the laws of the land.
7. The use of technology will mitigate the corruption problem facing the Chennai State in particular and the country in general.

### Suggestions

1. The standard of education should be increased by framing syllabus at regular intervals taking in to account the requirements of the State and the Society.
2. Well educated and qualified people should be ensured a reasonable pay and a respectable position in the educational arena.
3. Steps should be taken to run all the educational institutions by the Government at an early date. Just like that of nationalization of banks in the interest of the country, same way, all educational institutions should be under the control of the Government.
4. Compulsory and free education up to 10<sup>th</sup> standard is ensured to all in order to have a standard educational system in the country.

5. People who are entering the political field must possess some basic degree to understand the concept of Government and its functioning and the nature of common people.
6. Age restrictions should also be placed for entering the political area and staying in political life.
7. Past records are analyzed thoroughly and if any criminal records are noticed, immediately they must be stripped of their political color.
8. Funding of election should be done at a minimum level.
9. Instead of spending money on canvassing by the politicians, Government must help with their available print and electronic media to all politicians contesting election by charging a reasonable amount and slotting good time to all politicians. There by reducing the circulation of black money and corrupt practices in the election process.
10. The existing laws and procedures should be simplified, thereby, making the common man to get the things done without spending any extra amount.
11. Transparency in all activities should be ensured.
12. Government must educate the people with the help of available print and electronic media about the various practices to be followed for getting their day to day requirements from the Government. It must also be ensured a time bound action plan for all activities affecting the common man.
13. In relation to corruption charges also, a reasonable time frame is the need of the hour. This will ensure reduction of corruption level in the state.
14. The policies and programmes followed by one Government should continuously be followed by the subsequent Government. This will avoid corruption practices in a new program and policies of the new Government.
15. A well-defined wage formula must ensure a reasonable pay to all, especially it must be perfectly suiting the lower levels, which forms the major part of the corruption activities in all areas.
16. No more new rules are required, let the existing ones are implemented in good spirit.

The primary data so collected and analyzed can be grouped under the main category of **“Government functioning, Nature of Leader, State of people, Education, Employees, and Technology”**. These are further elaborated with the help of **secondary data** collected from different sources for this purpose in order to have a clear-cut understanding of the concept of Corruption in the society.

The **Primary Data** are being supported by **plenty of Secondary data** which are available in widely in the country. These Secondary Data are being discussed in various categories such as, **“Classifications, Causes, Corruption and \income, Various Studies related to Corruption within and outside the country, Media and Corruption, and Fraud in the Banking Sector in India”**.

Things are not moving in the expected direction in the State on account of prevalent of corruption in a wide angle. From my point of view, this can be associated with the Quality of Education that is prevalent in the State. Primarily when there is no standard of education in the country all sorts of ills may act as a hurdle for growth in the society. These hurdles may be in the form money and people. The corruption shows its ugly face due to the following reasons which are detailed below: -

### Causes of corruption

1. **Insufficient income Inability to meet basic needs or regular expenditure** can lead an individual into engaging in corrupt acts for the sole purpose of achieving financial gain.
2. **An ingrained culture of corruption.** The habitual practicing of corruption in an organization usually leads to an ingrained culture of being corrupt.
3. **Unenforceable rules and regulations** - Rules that have loopholes can be another recipe for corruption. Unethical individuals in a company can be scheming by taking advantage of gaps that exist in the regulations that govern the organization.
4. **Scarcity of services** If it is hard to get public services, people tend to pay to receive such services and enjoy preferential treatment.
5. **Low levels of integrity** - As "the abuse of entrusted power for private gain". Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.

The above causes give some scope for having different faces of corruption depending on the circumstances that emancipates from the needs of the common people and the steps taken to fulfill those needs.

### Types of corruption

#### Petty corruption

Petty corruption involves very few people and happens within small circles. This type of corruption also involves small unwarranted favors. It is a prevalent type of bribery and requires no or minimal planning. Petty corruption is prevalent in government and private sectors where people buy a service that they do not deserve.

#### Grand corruption

Grand corruption is the abuse of high-level power that benefits the few at the expense of the numerous and causes serious and widespread harm to individuals in particular and the society in general. It often goes with impunity. It is a major obstacle to the achievement of sustainable development. It undermines and distorts sound financial practice and clean business, both domestically and internationally. It deepens poverty, inequality and it increases exclusion.

The act of bribery or corruption in this case is played by a very influential person in leadership who forces the political, economic and judicial systems to bend the law for their interest. These influential individuals may not facilitate the action physically but have other people doing the job on their behalf. Grand corruption majorly takes place in the government or organizations where the leadership is either dictatorial or authoritarian.

#### Systematic corruption

Systematic corruption is as a result of existing loopholes within the government or private sectors. The loopholes offer a discreet passageway where acts of dishonesty for selfish gain can take place without the knowledge of several people in the system. Systematic corruption can be propelled by low compensation, an embedded culture of impunity, lack of transparency, and open powers among many other factors. This type of corruption can further be divided into centralized systematic bribery and decentralized systematic bribery.

### Political corruption

Political corruption takes place when an elected leader uses his or her power or resources for unfair personal gain. There are many ways in which political corruption can happen. Besides, influential people who commit political corruption have loyal networks of people who perform the actual corrupt acts. The following are some of the tools or instruments used in political corruption.

- a. **Bribery** – This is the oldest type of corruption crime. Generally, bribery refers to the action of giving out money in exchange for something that is gainful or of interest. For instance, a person may pay off a government official to allow him or her to operate an illegal business like operating without an official permit or drug trafficking.
- b. **Preferential treatment** – All elected officials should be persons of high integrity acting in utmost good faith, fair and just offering services to the ordinary citizens. However, some elected officials end up giving preferential treatment to some people. These officials do so through the unfair use of their office responsibilities or power. An act of Nepotism falls under this category.
- c. **Extortion, blackmail, and manipulation** - This is widely common and prevalent where leadership is authoritarian or dictatorial nature. Ideally, an elected leader gets away with unlawful acts through instilling fear or diplomatically toying around with junior officials. Influential and corrupt officials can also use force when things are not in the expected manner from the juniors.
- d. **Graft and embezzlement** – People in higher positions have the role of initiating and delivering development projects to the grass-root level. The leaders do have access to and responsibility of managing public funds. Unfortunately, corrupt officials opt to channel the public funds to personal projects and developments. The embezzlement translates to personal gain instead of developing the welfare of common people in the society.

### Judicial corruption

Judicial corruption refers to the criminal acts by judges or judicial officials. This results in giving of bribes to officials so that they deliver a tilted ruling that favors them... Judicial corruption can involve the government or powerful individuals in the private sector. The connection between these two institutions can imply that the government controls the judiciary. However, the bench should work independently and in an impartial manner.

### Business corruption

Business corruption is a form of dishonesty by an entity for a gain or benefit. For instance, an entity may be operating an illegal business for a monetary gain. Some of the activities involved in this type of corruption include not paying taxes, acquiring improper registration documents, forgery, falsification, and operating with no valid licenses. This corruption type leads to inefficiency in resource use, encourages crime, and weakens the trade and business systems through sluggish developments.

### Economic corruption

Economic corruption refers to the acts of dishonesty that affect existing financial systems for a personal gain. Ideally, such corrupt acts weaken the systems and rendering them inefficient. Instances of this type of corruption involve individuals or organizations who in money laundering

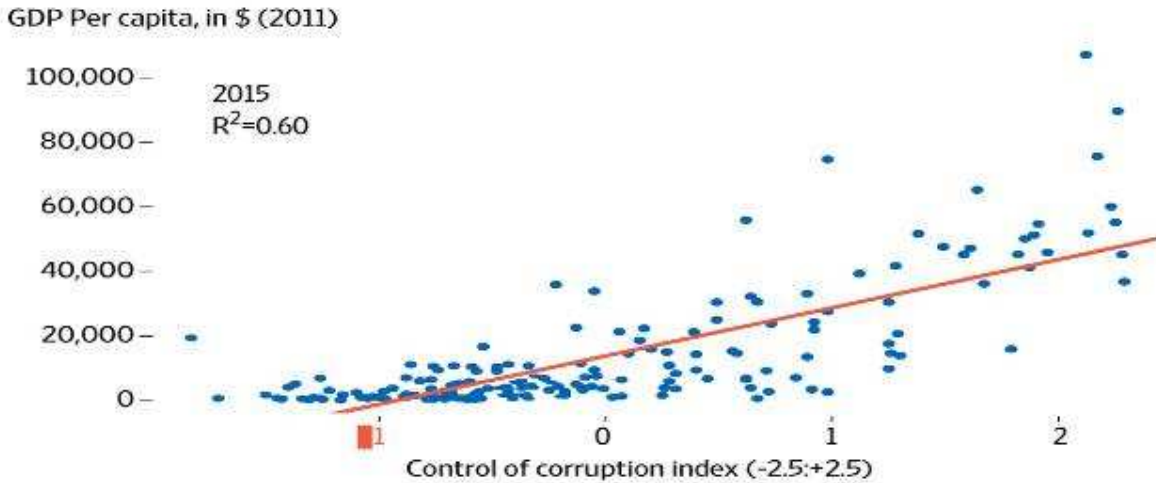
activities or fraud. Money laundering, allows the channeling of millions of unaccounted currencies into the economy. As a result, few individuals do benefit from the activity at the expense of the economy. Money laundering can alter the average circulation of money in an economy by introducing excess cash resulting in an unhealthy business environment.

**Corruption and Income**

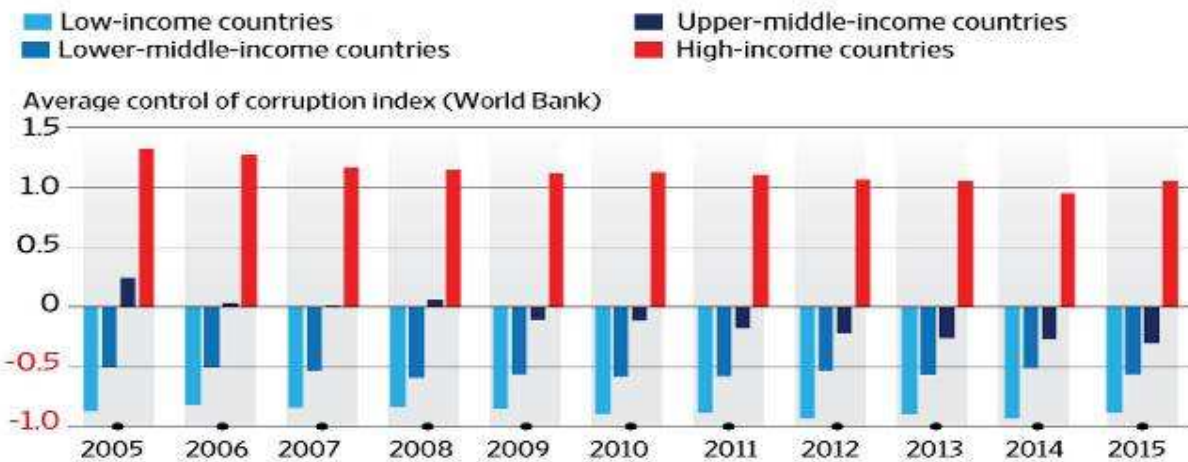
There is a strong relationship between income and corruption. Foreign direct investment in India increased 2.5 times from \$24.3 billion in 2013-14 to \$60.1 billion in 2016-17. However, the economic progress has not resulted in a fair reduction in corruption practices in the country.

**CORRUPTION AND INCOME**

**CHART 1**  
**RELATIONSHIP OF CORRUPTION WITH INCOME**



**CHART 2**  
**AVERAGE LEVEL OF CORRUPTION IN VARIOUS INCOME GROUPS OF COUNTRIES**



The World Bank on the basis of GNI per capita divides world economies into four income groups: low-income, lower-middle, upper-middle, and high-income.

Source: World Bank Governance Indicators

**The chart 1** shows the relationship of corruption with income. And **the chart 2** shows the average level of corruption in various income groups of countries. Both the charts are self-explanatory. Corruption levels depend on an environment largely determined by per capita income. One of the reasons why low-income countries are unable to reduce corruption to the level of high-income countries is because the low-income countries do not have resources to build and sustain anti-corruption institutions.

**Studies on Corruption - Corruption Perceptions Index- 2016**

Almost all the countries considered for the survey failed to touch the chosen mark of perfectness in the **Corruption Perceptions Index 2016**. Roughly two-thirds of the 176 countries and territories in this year's index fall below the midpoint of calculated scale of "0 - highly corrupt - to 100 - very clean". The global average score is a paltry 43, indicating rife corruption in a country's public sector. This year's results highlight the connection between corruption and inequality, which creates a vicious circle between corruption, unequal distribution of power in society, and unequal distribution of wealth.

**Countries Corruption Perception Index Rank and Score**

<b>TOP 5*</b>			
Rank	Country	2017 score	2016 score
1	N Zealand	89	90
2	Denmark	88	90
3	Finland	85	89
3	Norway	85	85
3	Switzerland	85	86

<b>BOTTOM 6</b>			
175	Sudan	16	14
175	Yemen	16	14
177	Afghanistan	15	15
178	Syria	14	13
179	S Sudan	12	11
180	Somalia	9	10

<b>INDIA &amp; NEIGHBOURS</b>			
26	Bhutan	67	65
77	China	41	40
81	India	40	40
91	Sri Lanka	38	36
117	Pakistan	32	32
122	Nepal	31	29
130	Myanmar	30	28
143	Bangladesh	28	26

Source - Corruption Perception Index 2016-17

**Mr. Jose Ugaz, Chairperson of Transparency International** said that in many countries, people are deprived of their most basic needs and go to bed hungry every night for the reason that of corruption. On the other hand, the powerful and the mighty corrupt cream of the crop group enjoy extravagant lifestyles with impunity." - This is really an ugly sorry state prevailing in the present world. India had the highest bribery rates of all the countries surveyed for access to public schools and healthcare with 58% and 59% respectively, suggesting serious corruption risks. In comparison these numbers for Pakistan and China for public schools and health care accounts for 9%, and 11%, and 29% and 18% respectively.

**Ilham Mohamed, Regional Coordinator for Asia at Transparency International** feels that people in these regions find it tough to access basic services. "People don't pay bribes for quicker access to services," says Mohamed. "The problem is most don't have access to basic services like healthcare, school or law and order. Further the poor are disproportionately affected by petty bribery, and low civil service salaries. Even the prevalent systems allows little or no access redress mechanisms, are main reasons behind corruption.

One of the main objectives of the current Indian government has been to make India free from corruption. But it seems the country still has a long way to go. More than half the people living in India, Sri Lanka, Thailand and Indonesia felt that their government was doing a good job in fighting corruption. In contrast people in South Korea, Hong Kong, Japan, Malaysia didn't think highly of their government in its fight against corruption.

India has the highest bribery rate among the 16 Asia Pacific countries surveyed and nearly seven in ten people who

accessed public services in India had paid a bribe whereas, Japan has the lowest bribery rate, with 0.2% respondents paying a bribe. Further, 900 million -- or over one in four -- people across 16 countries in Asia Pacific, including some of its biggest economies like India and China, are estimated to have paid a bribe to access public services.

The **lower-ranked countries** are plagued by untrustworthy and badly functioning public institutions like the police and judiciary. Even where anti-corruption laws are on the books, the same has been ignored. The terms bribery and extortion become a way of life. The requirements of basic services have been weakened by the misappropriation of funds and confront official indifference when seeking redress from the authorities concerned.

The **Higher-ranked countries** tend to have high level of press freedom, access to information, well defined future planning for growth, great integrity for public officials, and greater independence to judicial systems. Here the impact of corruption on the common is miniscule in nature.

#### **Media and corruption**

Interestingly, the study found that countries with the least press freedom have a penchant to be the most corrupt. The Philippines, India and Maldives are among the worst regional offenders and they score high for corruption and have fewer press freedoms and account for higher numbers of journalist deaths. In the last six years, 15 journalists working on corruption stories in these countries were put to death. As per the report from the **Committee to Protect Journalists, a non-profit organization** working for the cause of press freedom mentioned that In India, at least six journalists were killed between 2016 and 2017.



**The state of Fraud in Banking Sector in India - 2017**

Indian banks had reported frauds, in total to the tune of Rs.160,00,00,00,000, at an average of at least one every hour in financial year 2017. First, there was the \$2 billion loan fraud at Punjab National Bank in February 2018 and subsequently, in March, the suspected irregularities at ICICI Bank. According to a report by **Institutional Investor Advisory Services, a proxy advisory firm** mentioned that between **April 2016 and March 2017**, Indian lenders reported **12,533 cases of fraud, totaling Rs18,170 crore**. In a surprise note to say that some of the banks, such as, Bank of Maharashtra, Bank of India, South Indian Bank, PNB, and Dena Bank the aggregate quantum of losses due to frauds are low, the average fraud size is high. In the Pune-based Bank of Maharashtra's case, the fraud amount as a percentage of total assets of the state-run lender was 1.02%. "Added to a gross NPA of about 19%, this means more than one-fifth of the asset size is at risk every year due to weak controls and lack of adequate due diligence,".

In the words of **Shri K. C. Chakrabarty, former Deputy Governor of the Reserve Bank of India**, the higher magnitude of frauds can be ascribed to weak internal controls and oversight by the management. The loss of most amount of money to frauds, spent significantly more on audit than their private sector in the same field. The overall quantity of bad loans of Rs9.5 lakh crore, and such a high incidence of loan frauds have exposed the awful state of governance at India's banks. The repair and reform of this functioning, and reviving confidence of public and investor are, indeed, going to be a long and grueling task.

**Conclusion**

The ensuing year **2019** happens to be a year of **General Election**. There are lots of scopes for corruption activities. Instead of focusing on the policies and programs of the present Government, people are joining as a team to give a death blow to an Individual in the name of religion. The progress made in the last four years should have been made some sixty years before by the erstwhile rulers of the country. The reason for the progress not made earlier may

be attributed to widespread corruption in all spheres in the country. Some sections concentrated in cornering the money for self, not minding their fellow citizens' problems and growth prospects. The size and structure of fraud committed, the amount of black money generated, and nepotism practiced shows the extent in which the corruption played an indomitable role in the Indian Economy. We should have made an appreciable progress in the field of education, agriculture, and industrial and technological, provided we got eliminated the corruption practices in all fields.

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