

ECONOMIC CORRUPTION-CAUSES AND CONSEQUENCES

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ABSTRACT

Economic Corruption in India is in many forms. According to a survey performed by me nearly 46% Indian people are using contract or paying bribes to get a job done in Government jobs. They were not sure that selection process may be transparent, honest, pressure free and according to law. The of economic corruption in India includes aggressive bureaucracy excessive rules and regulations, typical tax structure, quota permit and licensing system, lack of coordination between government Departments, lack of transparent bureaucracy and discretionary powers, monopoly of public sector institutions on certain goods and services delivery.

KEYWORDS: *Economic Corruption, Quota Permit, Licensing System, Tax Structure, P.D.S.*

Introduction

The word corruption is originated from Latin .it comes through com rumpere, come means together and rumpere means to break .It means the person engaged in corruption may destroy others trust. Corruption involves lack of integrity or honesty, decay of matter, inducement by improper means. In other words indicate the dishonest or unethical by a person with a position of authority to achieve individual benefit. Now a day's corruption is not a problem of specific area, region or country. It is worldwide problem. Entire world either developed developing or undeveloped are facing the problem of corruption. Some developing countries like India, Pakistan, China, Sri Lanka, Bangladesh etc are facing serious consequences of corruption, because it is highly related with economic growth, welfare of people, Infrastructural development and policy making. That's why it adversely affects the growth of any nation. According to transparency international Report (The global coalition against corruption), nearly 40% of Indians had first time experience of paying bribes for their work. Which was legal and may be done without bribes .In 2015 India was ranked 76th out of 175 countries in transparency international, s index. Comparing to its neighbors Bhutan 30th Sri Lanka 85th china 100th Nepal Pakistan 126th Bangladesh 145th Myanmar 156th .1st In 2016 India is ranked 76th out of '168 countries by transparency international corruption index.

Economic Corruption in India is in many forms. According to a survey performed by me nearly 46%Indian people are using contract or paying bribes to get a job done in Government jobs .They were not sure that selection process may be transparent, honest ,pressure free and according to law. 25% people were in doubt, using contract or paying bribes was not essential to get a government job for them, but they accept the political pressure and interferences in public sector jobs. Only 29% people have faith in selection process of government and refused using any contract or paying bribes to get a government job. Using contract or paying bribes is one of the most reasonable causes of economic corruption. Because it divert the psychology of public servant to become corrupt .The welfare and development schemes followed by India Government have initially seeds of economic corruption. The largest source of economic corruption in India are social welfare schemes, subsidy schemes ,Public distribution system (P.D.S.) and development schemes .Such as Mahatama Gandhi National Rural Employment Guarantee act. (M.G.N.R.E.G.A.) and National Health Mission (N.H.M.) National Rural Health Mission (N.R.H.M.) Special component plan (S.C.P.) Financing schemes for scheduled castes, Backward castes and minority communities. The of economic corruption in India includes aggressive bureaucracy excessive rules and regulations, typical tax structure, quota permit and licensing system, lack of coordination between government Departments, lack of transparent bureaucracy and discretionary powers, monopoly of public sector institutions on certain goods and services delivery.^{2nd}

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Anti Corruption Efforts to Control Economic Corruption

There are significant variations in the level of corruption as well as central government efforts to reduce corruption across India. Some of special measures taken by government are as follows:

- **Right to Information Act 2005:** Right to information act became the milestone for the prevention of economic corruption in India .It is an effective, legal, and authorized tool in the hands of people to prevent corruption by right to know all things, except information regarding national security, and other sensitive matters reserved by Government. With the help of this tool, efforts can be made to transform the bureaucracy. It is mandatory for Government officials to provide information demanded by citizens or to face punitive action. This act can considerably reduce corruption and opened the door for transparency in bureaucracy.^{3rd}
- **Right to Public Services Legislation:** Right to public services legislation has been enacted in 19 states of India guarantees the time bound delivery services for various public services rendered be the central and state Governments to citizens and provide mechanism for the punishing errant public servants, who are deficient in providing the services rendered under the statute. Right to service meant to reduce corruption among the government officials and to sure transparency and accountability.
- **The Lokpal and Lokayuktas Act 2013:** Which came in to force from 16th January 2014 seeks to provide for the establishment of the institution of lokpal to enquire in to allegation of corruptions against certain public servants in India.
- **Whistle Blower Protection Act:** whistle blower protection act 2011 provides mechanism to investigate alleged corruption and misuse of power by public servants and also protect anyone who exposes alleged wrong working in Government bodies offices and projects has received the assent of president of India on may 2014 and is pending for notification by central Government. ^{4th}
- **The prevention of money laundering act 2002:** The prevention of money laundering act 2002 provides the provisions regarding confiscate the properties of corrupt public servants .However the Government is considering to make provisions for forfeiture of the property of corrupt public servants in the prevention of corruption act 1988 to make it more self contained and comprehensive.
- **The Company Act 2013:** The company act 2013 contains certain provisions to regulate frauds by companies including increased penalties for frauds, giving more powers to serious fraud investigation office.

In 2015 the parliament passed the black money (undisclosed foreign income and assets) and imposition of tax bill 2015.to curb and impose penalty on black money hoarded abroad. There are a lot of civic anti corruption organizations working in India to remove corruption such as Bharat swabhiman trust establish by Baba Ram Dev, Fifth pillar is most recognised body for the creation of zero rupee note ,a value less note designed to be given to corrupt officials when they demand bribes. India against corruption was a popular movement active during 2011-12. Amongst its Public prominent faces were Anna hazare (social activist) Kiran Bedi (First I.P.S. lady in India) Arvind Kejriwal (I.R.S.). Arvind Kejriwal discounted it for political benefit and became the chief minister of Delhi .Kiran Bedi also joined the B.J.P. Ruling party India. It means the issue of corruption is very serious and it touch's the heart of common man, who is suffering from the fever of corruption in his daily life. Indian media the 4th pillar of democracy has widely played a key role by publishing allegations of corrupt Indian politicians, bureaucrats, Government servants, Industrialists, citizens involved in corrupt practices stashing trillions of dollars in swiss and other banks situated abroad. It is bad luck of our nation that Indian media is mainly owned by corrupt politicians and industrialists who also play a leading role in most of these scams by misleading public to provide wrong Information and using media and using media against their political and business opponent,

Factors contributing corruption in India: In a 2011 report on corruption in India, one of the world's largest audit and compliance firms K.P.M.G.which is a professional service company situated in Amsterdam Netherlands. It employs 174000 people and has three line of services Audit Tax and Advisory. The name K.P.M.G. was chosen when K.M.G. (Klynveld main Goerdeler) merged with peat Marwick indicated severe causes that encourage corruption in India.^{5th} The report suggests, that high taxation and excessive regulation of bureaucracy as a major cause .India has high marginal tax rates and numerous regulatory bodies with a power to stop any citizen or business from going about their daily

affairs. This power of Indian bureaucracy and Government authorities to search and question the individual creates opportunities for corrupt public officials to extract bribes, each individual or entrepreneur decides if the efforts required in due process and the cost of delay is worth not paying the bribe demanded. In cases of high taxes paying to the Government is costlier than paying some bribe to the corrupt officials is cheaper than the tax. The desire to pay lower taxes than those demanded by the state explains the demand side of corruption. The net result is the corrupt officials bribe but the Government fails to collect taxes for its own budget. Actually regulatory reforms, process simplification and lower tax rates may increase tax receipts and reduce causes of corruption.

Consequences of Economic Corruption

- The adverse impact of economic corruption is loss of credibility by people from Government machinery and leadership. Any public and private sector organization or Governments who are playing the role of decision making may lose their credibility as per corrupt atmosphere in their organization. At present scenario high level corruption and scams are threatening the India's credibility and its economic boom.
- Economic Corruption may lead to further bureaucratic delay and inefficiency as corrupt bureaucrats may introduce red tape in order to extort more bribes. Such type of inadequacies could affect growth of any country. If the corruption level in India reduces up to the level of developed countries such as America, Britain, Singapore, India's G.D.P. growth rate could increase at a high rate annually. As an estimate the lost opportunity caused by corruption in terms of investment growth and job for India is over 60 billion U.S. \$ per year.
- In a corrupt system people may not achieve quality service on their demand. We have to pay bribe for quality service. It may be seen in our daily life. We face such type of problem in Government hospitals, municipalities, electricity offices, Telephone offices, Development offices, Police offices and thana, court offices, public distribution system offices (P.D.S.) and distribution of relief funds offices, educational institutions for coping and other facilities, required by students. The areas of corruption are uncountable. It is very hard to identify the scope and density of corruption. The existence of corruption in society is mixed with honesty and makes sure the work is done if you pay bribe. It means the employ who takes bribe for any work or facilities from the concern, and does his work without any delay or lacuna. It may be defined as fair work done in time.
- Corruption in judiciary system leads to improper justice. A crime may be proved as benefit of doubt due to lack of evidence or even the evidence is erased due to corruption in police system.
- In countries with more corruption like India, Pakistan, Bangladesh, one can notice more health problems amongst the people because there will be no fresh drinking water, Quality food grains supply, proper smooth roads, drainage system, medical facilities, cleanliness, ecological balances, and other facilities required for healthy life. The entire population is mostly emitted in the form of water, air and land pollution.
- Sanction of driving licenses without proper checking of driving skills in the driver leads to accidents and death. Corruption is a common cause in such type of jobs.
- Actually corruption in any area is highly affiliated with our ambition. Many of us want to achieve all type of facilities, luxuries for a high living standard at any cost. We have no patience in our routine life. Anyhow we want our work done by true or false measures. Most of us think that success needs no honesty. It may be gained by any how any way.

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