



## CORRUPTION: BARRIER TO ECONOMIC DEVELOPMENT

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### Abstract

Corruption is not only a major issue problem for our country but also for the entire world. But in India Corruption is increasing day- by- day. Which is really a bad indicator for any economy. According to an intensive study conducted in 2008 by Transparency International , it was found that about 40% of Indians had first hand experience of paying bribes and according to 2016 results of Corruption Perception index of Transparency International India ranks 76<sup>th</sup> out of 176 countries regarding Corruption issue. In India most of the largest source of Corruption are entitlement programmer and social spending scheme enacted by the Indian government. This paper focuses on methods and type of Corruption and also presents an overview of Corruption in different sectors of India. Main causes of Corruption in India include complicated taxes and licensing system , excessive regulation , numerous government departments each with bureaucracy and discretionary power etc. It also depicts impact of Corruption and how to stop Corruption and prevent it. The Prime aim of this paper is to include biggest Corruptionscam in Indian history. AK Antony said Corruption was really a serious challenge which badly affected the morale of defence personnel and urged them to renew their pledge to work with honesty, fairness, and transparency. This research paper is an attempt to consider scale of the Corruption. This study is based on secondary data.

**Keywords:-** Transparency, Bureaucracy, Indicator, Bribes, Discretionary etc.



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### Introduction

In India, Corruption is really a big issue in these days , that adversely affects its economy. According an intensive study conducted in 2005 by transparency international found that, more than 62% of Indian's had first hand experience of paying bribes. Corruption may include so many activities such as bribery and embezzlemental or 'political'. Corruption mainly occurs when an office holder or any governmental employee acts in an official capacity for personal gain or self interest.

The word 'Corrupt' means 'ulterly broken'. This word was firstly used by Aristotle and later by Cicero. Morris, describe Corruption as the illegitimate use of public power to benefit a private interest. No doubts Corruption is very harmful for any economy.

Methods of Corruption

Some popular methods of Corruption is as follows-

- Bribery:- Bribery basically involves the improper use of gifts and favours in exchange for personal gain. It is also known as Bak Shersh. This is most common and famous form of Corruption. The type of favours given are diverse and may include money, gifts, company share, sexual favours, entertainment, employment and political benefits.

- Embezzlement, theft and fraud:- this form of Corruption basically involve someone with access to funds or assets illegally taking control of them.

Fraud basically involves using deception to convince the owner of funds or in other words assets to give them up to an unauthorized party.

- Extortion and Blackmail:-Extortion and Blackmail can be threat of violence or false Imprisonment as well as exposure of an individual's secret and prior crimes

It basically involves such behavior as an influential person threatening to go to media if they do not receive speedy medical treatment, threatening a official (public) with exposures of their secrets if they do not vote in a particular manner.

#### Types of Corrupt Gain

- Favoritism nepotism and clientelism:- It basically involve the favouring of not the perpetrator of Corruption , but someone related to them, such as family, friend, family member or member of any association. For example hiring a family to a role they are not qualified for.
- Abuse of discretion:- abuse of discretion refers to the misuse of one's power and decision making facilities. For example a judge improperly dismissing a criminal case.

#### Scale of Corruption

The scale of Corruption became so wide in these days. Corruption can occur on different scales. These scales are as follows-

- Petty corruption:-this Corruption occurs at a smaller scale and within established social frameworks and governing norms. For example it includes the exchange of small improper gifts. Petty Corruption is particularly common in developing countries.
- Grand Corruption:- this is defined as such Corruption which is occurring at the highest levels of governments in such a way that require significant subversion of the political, legal and economic system. This form of Corruption is particularly found in countries with authoritarian government but also in those without adequate policing of Corruption.
- System Corruption/ Endemic Corruption:- this form of Corruption is such a Corruption which is primarily due to the weakness of an organization or process. It can be contrasted with individual official who act corruptly within the system.

Factor which encourage this form of Corruption include discretionary powers, conflicting incentives, monopolistic power, lack of transparency, low pay and a culture of impunity.

Corruption in different sectors

In these days Corruption is prevail in almost each and every sector. Some of them are as follows-

- Government or Public sector:- This sector include Corruption of political process and got agencies such as Corruption in the processes of allocating public funds for contracts, grants and hiring recent research by the World Bank suggest that who makes policy decision can be critical in determining the level of Corruption, because of the incentives of the policy makers face.

- Police Corruption:- Police Corruption is a specific form of police misconduct designed to obtain personal gain, financial benefits, career advancement for a police officer in exchange for not persuing, an investigation or arrest.

Most common form of police Corruption is accepting bribes in exchange for not reporting organized drug and other illegal activities.

- Political Corruption:- Political Corruption is the abuse of office or resources by elected government officials for personal gain i.e by soliciting, extortion etc. and abuse of public power.

Political Corruption can also take the form of office holder maintaining themselves in office by purchasing votes by enacting such laws which use taxpayer's money.

- Judicial Corruption:- Judicial Corruption refers to Corruption related misconduct of judges through receiving or giving bribes, bias in the hearing and judgement of arguments, improper sentencing of convicted criminals and other such misconduct.

This Corruption is broadly known in many transitional and developing countries.

- Union:- Labor racketeering is the domination manipulation and control of labor movement in such an order to affect related business and industry.

The FBI , in 2014, had several investigate techniques to uncover labor law violations, undercover operations, cofidenting source, electronic surveillance etc. they also have so many criminals and civil statues to use at their disposal, primarily through the rackter influenced and Corruption organization act.

- Corruption in the educational system:-in certain eastern European countries, Corruption occur frequently in universities. This may include bribing faculty for a grace and bribes to bypass bureaucratic procedure.

### Anti Corruption Programmes

A special and specific document produced by the private and economic sector professionals evidence and applied knowledge services help desk discusses. Some of the existing practices on anti corruption. They found-

- The basic theories behind the fight against Corruption are moving from a principal agent approach to a collective action problem. The principal agent theories seems not suitable to target systemic Corruption.
- Multilateral in situations has been consists crucial role in the fight against Corruption UNCAC provides a common or general guideline for all countries and the world.
- Most important thing is that anti- Corruption policies can improve the business environment.
- According to the traditional point of view anti-Corruption policies have been based on success experiences and common sense. In these days an effort to provide a more systematic exalurtion of the effectiveness of anti-Corruption policies.
- The use of anti- Corruption agencies have proliferated in some recent years after the signing of UNCAC.
- Anti-Corruption policies may be in general recommended to developing countries may not be suitable for post-conflict countries.

In fragile states anti-Corruption policies have to be carefully tailored.

Biggest Corruption Scams in Indian History There are so many Corruption scam happen day to day in our country. Some of them biggest Corruption scams are as follows:-2G spectrum Political scam:- No doubt that 2g spectrum scam has been one of the most expensive scams in our nation. Mr. A. Raja(former telecom minister) was the person who skillfully siphoned 1.76 lakh crore INR by evading the 2G liscensing norms. Mr. Raja awarded 2G account at the price rate of 2001 instead of increased ratein 2008. Therefore India lost huge amount of money and this might have adversely affected on the country's economy.

- Commonwealth games scam:- This scam took place during the Commonwealth games in India and no doubt this scam is one of the most shameful incident in Indian History. This scam disgraced our country in front of the other countries and an international audience. 10 in crore INR was spent on the game of which only half the amount was actually spent on the event, according to estimation.

- Telgi scam:- THE Maestrew of cunning, Abdul Karim, managed to print fake stamp paper and then he sold them to the various banks and financial institutions.

And no doubts it affected various states and the scam was worth then 20, in crore INR.

- Satyam scam:- This scam took place in Satyam Computer Service, that's why known as Satyam scam. Satyam Computer Service which is considered one of the most promising IT Companies in India. In Indian history, Satyam fraud is the one of the largest corporate scam which is 14, in crore worth.
- Fodder scam:- this scam is popularly known as 'chara ghotala'. This scam took place in 1996, in Bihar, in this major corruption in India, an uncouth connection was detected in the production of "Vast herds of fiction live stock" for which animal husbandry gears, fodder and medicine worth 900 crore INR was allengedly procured.
- Ketan Pareph scam:- It also executed similar scam and looted bank of India of around \$30 million. It shows the efficiency of Indian banking system and moves the failure of the judiciary setup the failed to prevent two similar scams that took place consecutively.
- Stock market scam by Harshad Mehta:-The former employee of New India assurance, Hershad Mehta, entered the stock market and very soon become one of the most reliable and revered icon of the market. Hershed Mehta alone decided the fate of the stock market and even banks trusted him with their ready forward deal.
- Bofors scam:- It is accepted as the hallmark in the list of top 10 Corruption in India. This scam took place in 1980's and prime minister of that time (Mr. Rajiv Gandhi) and several powerful names were found involved in this Hindujas the well known NRI fmily connection was identified in the bofors scam.
- Hawala scam:- This scandal is another much popular talked about incident of politics and Corruption in India. This scam came to max notice in 1996 and it was all about a bribery at the national level worth \$18 millions
- The Coal scam:- This is very shameful for our nation. Coal scam also termed as the mother of all the scams, as the black money involved here has swallowed all the other previous scams. The report on coal scam by auditor general and comptroller an authority established by the government of India.

How to stop Corruption and Prevent it

- Law to dismiss from service if found to be involve in Corruption.

- Increase the number of workers.
- Give better salary in government jobs.
- Online transaction and provide bill for every purchase.
- Fast track court and increase the number of courts.
- Establish camera in government offices.
- Keep inflation low
- Make media responsible.
- Verify the election procedure.
- Speed up the work process in government sectors.

#### Impact of Corruption

- Lower Corruption, higher growth rates:- As we know that Corruption level in India is increasing day-to-day, if level of Corruption in India were reduced to levels in developed economies such as Singapore or the united kingdom, India's GDP growth rate annually.
- Loss of credibility:- In 2003, a study of bribery and Corruption in India conducted by one of the biggest global professional services firm Ernst and young, majority of the survey respondent from PE firms said the company operating in a sector which is perceived as highly corrupt, may lose ground when it comes to fair valuation of its business.
- Economic loss:- Corruption may lead to bureaucratic delay and insufficiency as corrupted bureaucrats may introduce red tape. These inadequacies in institutional efficiency could affect growth indirectly by lowering the private marginal product of rate of investment and capital. And these Corruption results in lower economic growth for a given level of income.

#### Conclusion

No doubts Corruption is very harmful for our Indian economy. Either we finish Corruption or it will finish us. It is really a serious matter for us than in India Corruption is increasing day to day. Our Indian government take so many steps in order to reduce corruption but their efforts are not successful completely.

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