

IS THERE A SOLUTION TO CORRUPTION!

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Abstract: *Corruption in emerging economies including India has become endemic. Despite several legislations and strengthening of investigative machineries, the menace is growing rapidly. Economic tools and legislative instruments have failed in the face of the compulsion of ruling elites to let the process flourish in order to gain power and maintain it. Even the ruling elite in waiting has the same character. Recent demonstration of judicial activism, though timely, will not be able to sustain its crusade for long as it would be tired out. It is for the political elites to have a national dialogue among themselves to restore the rightful course of development. The solution has to be from within and timely.*

Corruption is endemic in almost all the countries. The phenomenon of corruption is prevailing in varying degrees in democratic set ups and in one party states. There have been many studies and discussion to curb the menace with no sign of abatement. Even enactments of stringent legislations assisted by strong investigating agencies have failed to have any appreciable impact. If corruption was an economic issue brought about by grafting market reforms on inadequate institutions, applicability of economic tools should have contained the phenomenon notwithstanding of a view held by some economists that gains made out of corruption lubricate the friction caused by stringent legislations/regulators and red tape helped in the acceleration of economic growth. Thus there is a strong counter veiling force defying economic theories and legal instruments. Such a countervailing force can be only with the ruling elite in power or waiting to capture power, who have their compulsions to let the phenomenon of corruption have a free play to continue to maintain them in the category of ruling elite.

In the Discussion Notes on “Democracy, Development and Growth”, it has been brought out that electoral compulsions of Indian Democratic Elections, have been compelling the political parties across the spectrum to promise more than what they could deliver. In the process, ideology of the respective political parties receded into the background to give way to the political management of the constituents to improve on the election results in their favour and further seek alignments and re-alignments with groups whose support bases among their constituents be having mutually exclusive interests. Such a management would

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call for resources to support their cronies who would assist them in their task of political management for gaining power and maintaining them in power. Such behaviour of political parties would be in the nature of a non-democratic behaviour and would give rise to the system of patronage. The patronage not only brings political power but its continued support becomes necessary to maintain them in power.

Therefore, it is not economics but politics that lies at the root of most third world corruption and also in the emerging economies. Private enrichment goes beyond personal greed; much of the wealth siphoned off is used to maintain corrupt governments in power. This also to some extent, explain that the phenomenon of corruption exists in directed economies as well as in economies which are transiting to market led growth.

The instrument of patronage is required to maintain autocratic as well as democratic regimes. Even the autocratic regimes have to muster a support base of as much numerical significance as democratic regimes. The only difference between the two governing systems is that an autocratic regime would consolidate its influence among selected ethnic, religion, clan or tribal groups where as in democratic regime political parties create splits along less divisive economic lines e.g. working class and middle class get pitted against each other. Another difference; though subtle between the autocratic rule and democratic rule is that the beneficiaries of patronage are of long term duration in the former while the beneficiaries of patronage may shift at short notice depending upon the compulsions of electoral politics in the case of democratic countries. Further political power determines the level of corruption in nations where institutions are evolving. Fragmented, decentralized power will lead to fragmented decentralized forms of corruption. Strong central government gives rise to more systematic and efficient corruption.

The prevalence of patronage and its potential to shift erodes over a period of time the ultimate source of patronage at the apex of power pyramid in a democratic set up. The persons at the apex level will not hesitate to bring the blame on the doorsteps of their civil servants, if and when it suits them to be accountable for perceived misjudgements by the public though the public servants may not have an authority of achieving something positive. Persons at the apex of the power pyramid would have their favourite media nurtured on their patronage who would create public opinion in alignment with them baying for the guilty identified by them. Public servants, faced with such realities, erect a safety layer of red tapism by devising procedures to include safety net for them and also create a

situation of built in inertia. Decision making even on trivial issues is subjected to a hierarchy of several layers ensuring that if one faces a threat; a whole lot is with him. Thus there is a built in common interest group situations of indiscretion and mismanagement to delay public processes against them to tire them out who pursue them. Without any real authority and in an atmosphere of clouded ideology of the ruling elite, the energies of ambitious bureaucrats are directed to essentially negative pursuits. They can block and prevaricate endlessly and efficiently. They can conceive and plan but would not be executing the programmes diligently so that apple cart of patronages is not rocked beyond the management capabilities of the ruling elite and also without disturbing the flow of siphoning. Some of them will fulfill their essential and routine duties and would exchange such favour for a bribe. However, corruption at that level is secondary to the game of maintaining the pyramid of power.

Bloated bureaucracy is an instrument of power management. From the stage of recruitment, in service career planning and rehabilitation after retirement are in the realm of political masters giving them power of patronage directly in proportion to the numerical strength of bureaucracy under them. Further, the political masters of bloated bureaucracies can command resources of manpower under them to manage and create crisis depending upon their political contingencies. The system will serve its purpose to the fullest provided everyone is aligned to support the desired goals set up by the ruling elite which would include generating resources for the present and future; keeping the rivals at bay including these whose contributions are less than optimal and encouraging those who support the cause of ruling elite. Anyone in the set up, who is capable of discordance is kept away from jobs affording opportunities of contributions or is relegated to performing back room jobs which are in any case essential to maintain the system and its core efficiency.

In a situation where ideology has given way to political management by political parties and the grass root workers are becoming redundant, support groups have to be created by providing them opportunities of generating resources for a decent living who would be rallying for the political elites when they visit areas to demonstrate their commitment to public causes and would be maintaining tempo in their favour to convert the opportunities offered into votes of the areas assigned to them. Such support groups project themselves to be supportive of the causes of the poor and create a perception that they, through their rapport with the apex of the power structure, are capable of bringing schemes to the area which would provide them jobs, subsidies, pensions etc. The schemes are in any case

devised at the apex level for larger political ends of demonstrating their concern for the poor. These are implemented under the watchful eyes of the support groups who are able to generate levies for themselves in facilitating the receipt of benefits out of the schemes. The sum total of levies keeps on increasing with the increasing proliferation of the schemes both in numbers and quantum.

At the apex levels of the pyramid of power structure, in market led growth economies or in directed economies; there would be arbitration by government in the allocation of resources. Most of the resources would have competing demands. The competition would be intense in non-regenerative resources like land and mining rights and space spectrum. There would be non-tangible barriers like environment clearance etc. which would have to overcome. In a market led economy, a fair bidding process is perceived to result in allocations fairly which should be in the best interest of the ultimate users. The prerequisites of a competitive system to be in position have been described in discussion note on competition policy and corruption. It has been demonstrated there in that in a situation of unequal distribution of wealth among the competitions, the phenomenon of corruption will continue to be an issue even when growth is satisfactory and increasing and also competition policy is also in position. It has also been demonstrated that corruption, wealth inequality and competition sustain one another. The compulsions of the ruling elite compel it to be in alignment with the groups who are able to generate resources for them optimally so that the ruling elite maintains its parity *vis-à-vis* those who are waiting to replace them.

The above analysis brings us back to the issue that corruption and its manifestation are political essentially while administrative corruption and economic causes are only supportive.

It is believed that in a democratic society, rule of law has pre-eminence in principle. It automatically follows that if a democratic system is manipulated through externalities like corruption, rule of law is being vitiated despite its firm positioning in the Constitutions. The term rule of law in colloquial language would mean that governance of the society would be in accordance with certain laws and principles established in a pre defined way where all persons are considered equal before the law and the law is impartially applied by an independent judiciary. Certain essentials of rule of law in the realm of criminal justice such as presumption of innocence, right of trial etc. have been over emphasized and not much

concerted attention has been given by the civil society on the emphasis for the application of rule of law in civil matters and procedures. Stronger practice of rule of law in civil realm would go a long way to establishing level playing for economic operations. Rights in or over property leading to enhancing secured lending, defining contract inviolability etc. are must in economic transactions which transcend commerce, family law and labour rights and tax laws and affects almost the entire population.

Indian constitution firmly includes Rule of Law in its provisions and has also established an effective and integrated judiciary to work towards establishing its primacy. Responding to growing graph of corruption, bureaucratic, political and corporate, the activism in judicial institution has been noticed and significant initiatives have been taken. It has also recognized the delays that are caused by its existing set up in deciding upon cases to establish rule of law and has suggested establishment of special courts to decide upon especially those cases which has shaken the common man. Further the judicial organ has recognized that powerful and mighty, who wish to maintain their ill obtained hegemony, use the procedures of law to delay the day of judgement. Accordingly, the highest court has not been averse in pre-empting them by restraining the courts in general not to entertain any case brought before them which has issues related to matter pending before it. Further in no uncertain terms it has desired that givers of bribes who have benefited by bribing administration should also be brought before it. The judicial activism of the nature being exhibited has been brought about on a set of scenario when people in general have perceived that other organs of the state including the hitherto respectable army are themselves partners in the crime of corruption. A concerted drive in favour of corruption as exhibited by all these institutions who should be checking it has made the entire polity corrupt. No section of society has remained untainted. Therefore at the present stage of affairs, it is impossible to quantify the extent of corruption which is taking place. In discussion notes on corruption and monetary policy and competition policies, it has been demonstrated that these policies will not serve the intended purposes in an all pervading atmosphere of corruption. Judicial Activism, if it has come about, is a natural outcome and is the last resort to warn the political system that it should be doing introspection among themselves and restore to themselves their rightful role of leading the nation in terms of the objectives of the Constitution and Rule of Law ordained therein. In any case judicial activism would also get tired if it has to continue the fight alone. The ruling elites would do well to realign themselves to their ideologies as refined in the atmosphere of new order even if they have to be out of power for a few years to discover themselves. In cricketing

term, an out of form batsman is advised to go back to basics by taking a break from international competitive cricket.

Mere taking of pledges and doing self deprecation would not improve the situation. An understanding has to be reached across the political spectrum that system would be cleared at their own initiative. There has to be a National Dialogue. Policies and Priorities may have to be redefined. The concept and elements of development be required to be reworked to pep up the sustainable development programmes generating assets and redistributing resources and at the same time aspirations of keeping pace in science and technology developments are kept up and race to moon is accomplished.

Present is the opportune moment to bring about the desired changes in political governance as no time in the past nation's mood was so exasperated, never the prestige regained in the recent years was threatened. The solution has to be from within and timely.