

**Political Corruption in India Since Independence.  
An Analysis of Major Scams, Trends and its  
Implication on Indian Economy**



# Contents

1. What is Corruption .....	6
2. Corruption in India Since Independence .....	7
3. Politics, Election and Corruption .....	11
4. India's Ranking in Corruption .....	12
5. Are We Fighting Corruption? .....	15
6. Conclusion .....	16

## Exhibits

Exhibit 1: Corruption Perception score of India .....	12
Exhibit 2: Number Major Political Corruption and Amount. ....	12
Exhibit 3: Corruption Cases – Government Officials .....	13
Exhibit 4: Corruption Cases – Estimated Loss .....	13
Exhibit 5: GDP Data.....	14
Exhibit 6: Annual Budget of Central Government .....	14





# Corruption

One of the toughest challenges in the contemporary world is the problem of corruption. Corruption undermines good government, distorts public policy/allocation of resources, harms society, and hurts the poor the most. But Corruption is not a new phenomenon. There existed a Sanskrit word “Utkocha”, means bribery to suggest that corruption was there since the age of Mahabharata.

I either want less corruption, or more chance to participate in it.

*Ashleigh Brilliant*  
*English Author & Cartoonist*

## Corruption – Shocking News??

In 2014, India was ranked 85 out of 175 countries according to the Transparency International’s Corruption Perceptions Index. According to a study done by Transparency International (TI) in 2005, the country was reported with more than 50% of the people had first-hand experience of paying bribe or peddling influence to get a job done in a public office. TI estimated that truckers pay annually \$5 billion in bribes, officials often steal state property, and in a particular State in India more than 80% of the subsidized food aid to poor was stolen.

There are different types of corruption like Corruption in Government Offices, Corruption in Private Sector, Corruption in Judiciary, Corruption in Police, and Corruption in Media etc. But in a democracy like India the worrying factor is the increasing Corruption in Politics.



# 1. What is Corruption?

World Bank defines corruption as an abuse of public power for private benefit. In another definition shared by most political scientists, political corruption is any transaction between private and public sector actors through which collective goods are illegitimately converted into private, regarding pay offs. It establishes the necessary involvement of the state and state agents in corruption, without any notion as to the level of authority where corruption takes place. Eventhough the distinction between political and bureaucratic corruption is rather ambiguous it depends on the separation of politics from administration (which is unclear in most political systems), the distinction is important in analytical and in practical terms.

In authoritarian countries, the legal base are weak and further, legal framework used to be encroached by rulers. However, as demonstrated by a large number of corruption scandals in liberal democracies over the years, political corruption is not restricted to authoritarian systems only.

Political corruption occurs at the top level of the state, and it has political repercussions. Political corruption is the manipulation of the political institutions and the rules of procedure, and therefore it influences the institutions of government and the political system, and it frequently leads to institutional decay. Political corruption is therefore something more than a deviation from formal and written legal norms, and from professional codes of ethics.

Political corruption happens when laws and regulations are more or less systematically abused by rulers, side-stepped, ignored, or even tailored to fit their interests. President Ferdinand Marcos of the Philippines rewrote sections of the Philippine Constitution to legalize his looting of nation's wealth (cited in Johnston 1996:323).

## State and Corruption

Corruption is closely related to the fact that State is an indispensable instrument for economic development. In contrast to the largely rejected "state-dominated" and state-less" development models, there is now much consensus on the relevance of an efficient medium-sized State in economic development. The 1997 World Development Report stated that "an effective state is vital for the provision of goods and services – and the rules and institutions – that allow markets to flourish and people to lead healthier and happier lives. Without it, sustainable development of both economy and society is impossible". Corruption has come up as a thematic constituent of this renewed paradigm, in which development necessitates economic reform, which is again dependent on political and administrative reforms like good governance and civil service reforms (CRS), accountability, human rights, multi-party system and democratization. Besides, very high levels of corruption was observed where the government is regarded as illegitimate in the eyes of the population (implying widespread disrespect for legal procedures), and in countries where the State plays an interventionist role in the economy. The role of the state and of politics is therefore essential to understand corruption.



## 2. Corruption in India Since Independence

After independence it was almost an open field for political corruption till 1965 when the Government of India thought about activating existing Rules and Regulations to take punitive action against erred officials and politicians. It was interesting to note that the political corruptions were handled like petty acts of error of judgment till then. The country did not set up law enforcing agency to deal with corruption immediately after independence. As such, we do not have validated data about political corruption till 1965. Till 1977, country was ruled by single party and, hence there were very less chance of disclosing political corruption till then. This does not point out the fact that the country was free from political corruption till 1977. Here are a few notable political corruption cases since independence as reported in media.

### Jeep Scam (1948)

The independent India opened its first publicly debated political corruption in the Jeep Scandal of 1948. The deal was to supply 200 Jeeps to Indian government, and was signed with a company in England. The contract was worth Rs.80 lakhs but only 155 Jeeps were delivered which account to a scam of Rs.18 lakhs. Then India's high commissioner to the UK was embroiled in the controversy. But the case was closed in 1955 without any formidable action.

### Diamond Mining Scam (1949)

Then Union Industry minister was jailed for three years for taking a bribe of Rs.25,000 from a gemstone trader Sachendubhai Baron for renewing his diamond mining lease. This appears to be the first reported political corruption where a politician was convicted for taking bribe.



### Cycle scam (1951)

Another interesting corruption case reported was of Cycle import case, and the turn of events raised the enthusiasm of common persons. Even though it was a clear case of political corruption, it was treated by fixing responsibility on a bureaucrat. Then Secretary, Ministry of Commerce and Industry, was jailed (1951) for accepting a bribe in lieu of granting a cycle import quota to a company. However, things turned upside down with the revelation of Sirajuddin's diary. After six years of the cycle scam (1956), it was found that a few political leaders of Orissa had taken commissions from Muhammad Sirajuddin, a businessman. Consequently, the news got published and later the then Minister of Mines and Fuel agreed that he had taken Rs.10,000 from a mining owner of Orissa as commission and had to resign under pressure from Nehru. This can be treated as the first known accepted political corruption even though not punished through a judicial process.

### LIC Scam (1957)

The Mundra L.I.C. Scandal was the first high profile scandal where in 1957 a highly ambitious businessman Haridas Mundra persuaded government owned Life Insurance Corporation (LIC) to invest Rs.1.24 crores in the shares of his six troubled companies - Richardson Cruddas, Jessop's & Company, Smith Stanistreet, Osler Lamps, Agnelo Brothers and British India Corporation. The investment decision had bypassed the LIC's investment committee. Later, LIC lost most of the investment. The irregularity was highlighted in 1958 by Feroze Gandhi. Mundra was sentenced to 22 years in prison. The case also compelled the then Finance Minister to resign.

### Kairon Scam (1964)

Pratap Singh Kairon became the first Indian chief minister to be accused of abusing his power for his own benefit and that for his sons and relatives. He quit a year later and was later exonerated in 1964, saying a father could not be held legally responsible for the actions of his grown-up children.



## Kalinga Tubes Scam (1965)

In 1965, Orissa Chief Minister was forced to resign after it became known that he had favored his privately owned company, Kalinga Tubes, in awarding a government contract.

## Kuo Oil Deal (1976)

The Indian Oil Corporation signed Rs.2.2-crore oil contract with a non-existent firm in Hong Kong and a kickback was allegedly given. Name of a member of parliament was dragged along with a few politicians.

## Cement Scam (1981)

In 1981, Chief Minister of a State was convicted of money extortion from the Mumbai builders in the form of donations to Indira Gandhi Prasthan trust, one of several trust funds he had established and controlled, in exchange for receiving more cement than the quota allotted to them by the Government.

## Westland helicopter Scam (1986)

The then Prime Minister's name was brought in a helicopter scam where Pawan Hans Corporation bought 21 helicopters from a British company that was shutting down. A series of technical faults were reported later. The helicopters were eventually discarded as junk, and later stored at an unused airport in Mumbai.

## Bofors Scam (1987)

The highly politically motivated Bofors scam ultimately cost the then Prime Minister to lose popular support when he along with a few business tycoons were accused of taking bribe of Rs.64 crore in a defense deal to purchase 155 mm Bofors guns from Sweden. The deal allegedly, midwived by arms dealer Win Chadha, brought Italian businessman Ottavio Quattrocchi in the limelight. It has been speculated that the scale of the scandal was to the tune of Rs.40 crore. On May 31, 2005, the court dismissed the Bofors case allegations against the British business group.

## HDW Commissions (1987)

HDW, the German submarine maker, was blacklisted after allegations that commissions worth Rs.20 crore was paid. In 2005, the case was finally closed. The allegation was that the German firm paid over Rs.300 million to middlemen and Indian government officials as commission to secure the contracts for submarines and torpedoes.

## Sugar Import Scam (1994)

Food minister resigned over the import of sugar at a price higher than that of the market, causing a loss of Rs.650 crore to the exchequer.

## Urea scam (1995)

Rs.133 crore deal was signed with a fly-by-night Turkish company, which was supposed to deliver two lakh tons of urea to India. In a surprise, the entire sum disappeared from Indian shores to various accounts around the globe. The Turkish firm, in turn, disappeared from Turkey. Not an ounce of urea reached India. Seven months later, relatives of top politicians along with NFL officials were dragged into the case.

## Hawala Scam (1996)

The Hawala scam was \$18 million bribery scandal and surfaced in 1996. It involved payments allegedly received by country's leading politicians through Hawala brokers. It was probably the first scam that gave the public an idea of the loot of national treasure at the hands of powerful. The scam revolved around the payments politicians received from hawala brokers, who in turn diverted funds to support drug trafficking and terrorism around the globe. Many prominent politicians were indicted in this case, but no action was taken against them due to lack of hard evidence.

## Fodder Scam (1998)

For over two decades, the officials and politicians of a State colluded to embezzle funds worth Rs.950 crores by fabricating vast herds of fictitious livestock for which fodder, medicines and animal husbandry equipment were acquired. The swindle allegedly involved two chief ministers of a State.



## Stamp Paper Scam (2002)

Stamp Paper scam was perhaps the most unusual scam in modern India. A former fruits and vegetables seller duped the nation of crores of rupees by printing fake stamp papers. His counterfeiting career began with fabrication of fake passports after which he ventured into selling fake stamp papers to banks, insurance companies, foreign investors, share broking firms and bulk purchasers. The swindle exceeded Rs.20,000 crore and covered 12 states. Further, a narco test allegedly revealed the involvement of political heavy weights in the scam. The accused was convicted in 2007 and sentenced to 13 years of rigorous imprisonment and fined Rs.202 crore.

## Scorpene Submarine Scam (2005)

Exposed in 2005, the Scorpene deal scam has gone down in history as one of India's largest bribery corruption scandals, in which Rs.500 crore was alleged to have been paid to government decision makers by Thales, the makers of the Scorpene submarine. In the scandal, the prime accused, was selling secret Navy documents to Thales. In 2005, the Indian government had approved the 19,000 crore submarine deal with the French company. The purchase of six Scorpene submarines cost the Indian government a lot more than its actual price.

## 2G Spectrum Scam (2008)

Telecoms Minister was sacked after a report by India's state auditor which said that the Ministry sold licenses and spectrum below market prices, depriving the government of up to \$39 billion in revenues. The Comptroller and Auditor General of India (CAG) said rules were flouted in spectrum allocation in order to give benefits to several ineligible in 2007-08. The investigation was carried out under direct supervision of the Supreme Court. Several telecom companies were under investigation and the matter had attracted international attention due to the alleged involvement of global companies in the bid which attracts the provisions of Foreign Corrupt Practices Act. The scam became bigger with new revelations of the involvement of politicians, bureaucrats, corporate personalities, media persons and lobbyists.

## CWG Scam (2010)

Allegations of corruption spanned a broad spectrum including issuing of contracts and purchase of equipment – from treadmills to toilet rolls. The preparation for the sporting extravaganza consumed a huge sum of about Rs.70,000 crore. Like any other scams in the past, the games scam involved a large network of politicians, bureaucrats and corporates acting in collusion. The chairman of the organizing committee was sent to jail and the Delhi CM faced heat of adverse remarks.

## Adarsh Housing Scam (2010)

Adarsh Housing society scam is a typical example of nexus among politicians and bureaucrats, for land grab. Politicians, bureaucrats and military officials were accused of taking over the land meant for building apartments for war widows. Local media reported that apartments worth \$1.8 million were sold for as little as \$1,30,000 each in the apartment block, which faces the Arabian Sea in one of the world's most expensive stretches of real estate in Mumbai. The Chief Minister of the State was sacked. The report indicted four former two former urban development 12 top bureaucrats.

## MadhuKoda Scam (2011)

In October 2009, the Enforcement Directorate (ED) charged former Jharkhand CM with money laundering to the tune of over Rs 4,000 crore. CM's declared assets in 2005 when he became Chief Minister of Jharkhand worth Rs.12 lakhs. In less than four years he established a business empire that reached beyond India, to Thailand, Indonesia, Singapore and Dubai. His assets included hotels, three companies in Mumbai, property in Kolkata, a hotel in Thailand and a coal mine in Liberia.

## Illegal Mining Activity (2011)

The Iron ore miners obtained the iron ore mining license in Bellary from the State government in Karnataka in 2004. The matter is still progressing with agencies. According to reports, Karnataka Government's loss over a period of four years was at the very least, Rs.1 lakh crore.



## Idamalayar corruption case ( 2011 )

This is a case of a Minister got convicted for one-year imprisonment for abusing his position in the award of contract for the Idamalayar hydroelectric power project. The apex court upheld the prosecution plea that the former minister has entered into a criminal conspiracy that caused a loss of over Rs.2 crore to the Kerala State Electricity Board by awarding contracts for construction of a power tunnel and surge shaft of the Idamalayar hydro electricity power project to contractor. This appears to be the first case of a Minister getting conviction for abuse of powers without evidence of money transfer.

## Indian Coal Allocation Scam ( 2012 )

This scam is connected with the allocation of nation's coal deposit to PSU's and private companies. The scam was reported in 2012. The basic premise of this scam was that wrongful allocation of Coal deposits by Government without resorting to competitive bidding, caused loss of Rs.1.86 lakhs to tax payers money

## Uttar Pradesh NRHM Scam ( 2012 )

Uttar Pradesh NRHM Scam is an alleged corruption scandal in the Indian state of Uttar Pradesh, in which top politicians and bureaucrats are alleged to have siphoned off a massive sum estimated at Rs.100 billion from the National Rural Health Mission, a central government program meant to improve health care delivery in rural areas.

## Saradha Group Sinancial Scandal( 2013 )

Financial scam caused by the collapse of a Ponzi scheme run by Saradha Group in West Bengal mostly, a consortium of over 200 private companies that was believed to be running collective investment schemes popularly but incorrectly referred to as "Cheat Funds". The present ruling party is repeatedly accused to be in the conspiracy with Saradha Group and Ministers are allegedly involved.

## Vyapam Scam( 2013 )

A massive admission and recruitment scam involving politicians, senior officials and businessmen. In November 2013, the Special Task Force (STF) of Madhya Pradesh police made a shocking revelation that Vyapam officials rigged five more recruitment tests for government jobs in the state.

## Orissa Mining Scam ( 2014 )

Out of total 621 mines in Orissa, the lease for around 200 mines is over. But these mines are still in operations despite expiry of their lease periods. The Orissa illegal mining scam amounts to Rs.59,203 crore and illegal iron and manganese ore amounting to Rs.22.80 crore was extracted illegally from the state for almost a decade, the Shah Commission report has said.



### 3. Politics - Election and Corruption

There are lot of interesting facts, if we look closely to the cases of major corruption in early independence period. Jeep scandal case was closed for judicial inquiry ignoring the suggestions of Inquiry Commission and it was declared that "as far as Government is concerned it has made up its mind to close the matter. If the opposition is not satisfied they can make it an election issue". Scholars often refer to this kind of corruption as "extractive corruption".

In the theory of extractive corruption, the State is the stronger part in the state-society relationship. This implies that the State as a group or elite may extract substantial resources in the form of wealth and power from the nation or the society at large, while the society in return will have only symbolic resources like protection and national identity. In many cases, corrupt practices have established extremely well to do political and state-based elites (ruling classes) amidst poverty and recession.

India took a major decision of liberalization in 1991 (due to financial crisis) and that became a major socio-political event in India's history. The changes accompanied with liberalization affected the socio-economic scenario of India and subsequent changes were very evident in political domain also. move from 'license Raj'—where businesses were governed by rules and quotas aided by bribes to bureaucrats—to liberalization opened fresh, widened opportunities for bribery and graft. Whereas, the common man stopped paying bribe to get a telephone number allocated, to their surprise new forms of corruption emanated where country lost more than \$38 billion in a single telecom scandal. If we look at the volume of major political corruption in the last ten years, we can easily say that it has increased immensely and channelized itself toward very remote corner of the country. How can we explain this? Scholars often refer to this kind of corruption as "redistributive corruption".

In theory of redistributive corruption, the State is the weaker part in the state-society relationship. Here, various social and economic groups, interests or individuals are organized and powerful enough to draw more benefits from corrupt practices which they engage in with the State as a counterpart, than the State and the ruling elite. The main beneficiaries of the resources extracted, privatized and consumed are not the political or state-based elite, but state resources are depleted and distributed to various groups of interests according to their power configurations of the country. Although the theory is somewhat radical and very few states like Bangladesh demonstrate absolute redistributive corruption.

But if we consider the case of Saradha Group, and there are many more, we can easily conclude that resources of common people, mostly poor, are channelized to Cheat Funds, in return of vague promises and that has been totally supported by the ruling party.

The phenomenon that we are coming across is due to the fact that the politics has been reduced into "vote bank" and politicians have to make unrealistic promises to buy votes. But to some extent they have to keep their promises and for that corruption is the only mean now. Again another core trigger for graft is the funding of political parties, especially to meet election expenses. As political parties assume power, they have a clear obligation to 'pay back' their sponsors who lavishly open their wallets for helping them to fight in the elections.

Today media plays a very vital role in "making of the king". But the corruption in media is no more an alien concept to us. Although corruption is nothing new to Indian socio-political space, recent high-profile scams have augmented the long-prevailing skepticism in India's ability to emerge as a mature economy without traces of corruption ballooned.



## 4. Corruption Rank and Estimate

According to Transparency International, the country has lost its position in corruption index. If we look at the data closely it is evident that during the period From 2006 to 2014 India has done badly in Transparency International standards, The country has lost 25 position in ranking and reduced its position to 95 from 70 and still India haven't done enough to revive the image. The corruption perception index is determined by expert assessments and opinion surveys. Higher the rank in perception index means that corruption is comparatively less.

**Exhibit 1: Corruption Perception Score of India**

Year	Corruption Perception Score	Rank
2006	3.3	70
2007	3.5	72
2008	3.4	85
2009	3.4	84
2010	3.3	87
2011	3.1	95
2012	3.6	94
2013	3.6	94
2014	3.8	85

India has not done well in maintaining transparency, accountability, and corruption in the public sector rating (CPIA: 1=low to 6=high) as published by World Bank as well.

There is an increase in reported cases of political corruption in India during the past seven years. The number of cases which were reported in the public domain was three in 2006 which reportedly increased to 29 by 2014. Correspondingly, the amount involved in corruption also increased.

**Exhibit 2: Number Major Political Corruption and Amount**

Year	Major Political Corruption	Amount Lost* (in crores Rs.)
2006	3	11,526.00
2007	NA	-
2008	3	5,900.00
2009	7	216,000.00
2010	8	61,775.00
2011	22	25,675.00
2012	39	105,000.00
2013	20	30,000.00
2014	29	70,000.00

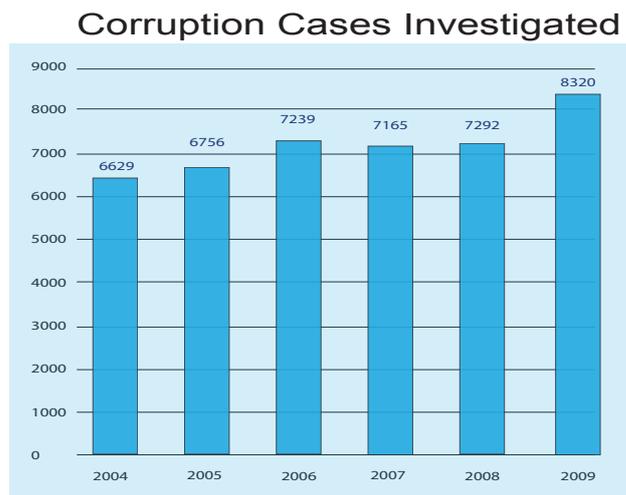
*\*partial info*

There are difficulties in exactly define the quantum of political corruption in India. While looking into the data of the reported corruption over the past seven years, one can find that the corruption ticket ranges from Rs.5,000 crores to Rs.250,000 crores per year. The corruption at helms of affairs breeds bureaucratic corruption since the corruption has cascading effect. Assuming the ticket value of Political/ Politicians' corruption is Rs.75,000 crores per year, the overall loss to the country on account of corruption will be much higher due to its cascading effect. Further, it is a fact that only a minute percentage of corruption will be reported, and rest will be compromised or not reported.

Apart from the political scams involving money, there are various situations where one can witness the abuse of power by influentials in the society. There are countless cases of bureaucratic corruption. There is a published data about bureaucratic corruption which discloses that there is not much decrease in corruption under this segment also. Details are as follows;



**Exhibit 3: Corruption Cases – Government Officials**



Now, it is an attempt to estimate the overall corruption in India with multiple assumptions as follows;

- Assumption 1**  
1% of political corruption is reported. Corruption in bureaucracy will be two times of political corruption
- Assumption 2**  
10% of political corruption is reported. Corruption in bureaucracy will be two times of political corruption
- Assumption 3**  
50% of political corruption is reported. Corruption in bureaucracy will be two times of political corruption
- Assumption 4**  
50% of political corruption is reported. Corruption in bureaucracy will be same as political corruption

Considering the above assumptions, the amount involved in corruption can be estimated as follows;

**Exhibit 4: Corruption Cases – Estimated Loss**

Assumptions	Estimated Corruption (Rs. Crores)	Total Political Corruption (Rs. Crores)	Bureaucratic Corruption (Rs. Crores)	Total Corruption Amount (Rs. Crores)
Assumption 1 - Higher Level	75,000	7,500,000	15,000,000	22,500,000
Assumption 2	75,000	750,000	1,500,000	2,250,000
Assumption 3	75,000	150,000	300,000	450,000
Assumption 4 - Conservative	75,000	150,000	150,000	300,000



While looking into the GDP of the country, one can find that the above estimated amount constitutes a sizable portion of country's GDP. The GDP of the country during the period From 2006 to 2014 are as follows

### Exhibit 5: GDP Data

Year	GDP (in Crores INR)
2006	5,339,710
2007	6,023,977
2008	7,928,913
2009	7,835,459
2010	8,739,919
2011	10,936,101
2012	11,751,012
2013	11,725,216
2014	11,917,373

Considering even the conservative assumption, the loss due to corruption will be 4% of GDP. It may even go up to 2.67 times of GDP with the level of Assumption 1.

The amount involved in corruption will be three times of budgetary allocation even with conservative assumption. The following table gives information about the budgetary allocation of central government for the past nine years.

### Exhibit 6: Annual Budget of Central Government

Year	Annual Bud -get of Central Government (in Crores INR)
2006	57,019
2007	68,891
2008	86,453
2009	99,244
2010	116,473
2011	128,876
2012	149,764
2013	165,800
2014	179,489

While linking with Assumption 1, one can find that the amount involved in corruption will be 221 times of the budget of central government at an average. Even with the conservative assumption the total amount of estimated corruption is almost three times of Central Government budget.



## 5. Are We Fighting Corruption?

Fighting corruption has emerged as a key development issue in India in the recent years. More and more policy-makers, businessmen and civil society organizations have begun to confront the issue openly. Who is interested in fighting corruption? Who will take the lead? Will Political Class, Judges, Lawyers, Journalist, Police or public take the lead in fighting against corruption?

Corruption has a strong inclination for “collectivization”. To keep quiet and gradually take part in the practice is usually much less costly than to blow the whistle, inform, and confront. A conspiracy between individuals is easily extended into a larger practice involving colleagues, partners, assistants, patrons and superiors. Instances of petty corruption may therefore develop into larger networks, cliques and medium-sized brotherhoods, and finally into large-scale institutionalized corruption if unchecked.

As corruption spreads, the social acceptance of it also increases. When it is generally understood that there is a climate of corruption, still more people will believe it is inevitable and expected. In particular, corruption in high places contagious to lower level bureaucrats and other state agents, as these will follow the predatory examples of, or even take instructions from, their principals.

General level of understanding about corruption has risen markedly due to the emergence of social networking platforms, and increased awareness. Most of us acknowledge that public education and prevention are equally important.

The country cannot be imagined to be on the road to growth without the contribution of the private sector that plays a crucial role in generating employment. It is a great shame if the citizens are compelled to pay speed money or grease the palm of influentials while they are actively participating in nation building. If Speed money is an acknowledged custom in our society let us legalize it. If train tickets or passports can be issued under Tatkal scheme let us bring more services under Tatkal or we can add extra charges for speeding up services.

In a democratic country, election funding is one among the causes for increasing corruption. The government needs to take effective steps including measures to fund election. Remedial action to recover the loss due to corruption was almost a failure as well as rendering justice. It would be difficult to initiate drastic action in a democratic country where citizens rights have been given upper hand. Thus, prevention is better than going for remedial action and for which we need to plug loop holes in the administrative machinery. There is a need to increase the use of technology/internet throughout the purchase process even for small amount to avoid corrupt practices in the procurement process. This is due to fact that majority of cases as listed in the major corruption cases are related to procurement. There is a need to legalize speed money as done in the case of various Tatak schemes which definitely helps in collecting more revenue.

Whistle blowing system needs to be encouraged in all public departments and the victims of corruption should be encouraged to speak out. As of now there is no legal protection to bribe givers. Since they are the victims of corruption, they should be allowed to speak out and need not be treated as conspirators or abettors. Thus, there is a need to reform our legal structure as well to prevent the loss of opportunity for the country, and stop siphoning off the tax payer's money.



## 6. Conclusion

Corruption is a symptom of fundamental institutional weaknesses. The implementation of institutional reforms can benefit significantly from the participatory process that is being developed for anti-corruption activities. Only recently, the pendulum was firmly in the “enforcement” corner. The gradual swing toward the middle ground has taken place due to recognition of the limitations to expose legalistic

enforcement measures, since the law institutions themselves are currently part of the corruption problem in India. Corruption is an intractable problem in India which can only be controlled, but not totally eliminated. Corruption has a corrosive impact on our economy and leads to loss of opportunities. Corruption is a global problem that all countries of the world have to confront: solutions, however, can only be home-grown.



Can we **STOP**  
Corruption??

This publication has been prepared for general guidance, and does not constitute professional advice on this subject. Debmalya, Sr. Research Analyst & Author of this report, can be reached at [deb@dartconsulting.co.in](mailto:deb@dartconsulting.co.in) for any further queries.

