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# Corruption and Its impact on Governance in *India*

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## **Abstract**

*In the 21st century, India is emerging as the leading democratic state of the globe. But since the last two or three decades in India, many observers observed the corrosive effects of corruption- a series of scams and scandals under previous Congress government especially in UPA II era. Although, corruption is not a new difficulty for India, but with the rising of public opinion against corruption, including the major scams have galvanised a growing middle class with enlarged demands for improved governance. The tide has spurred new-fangled supporting movements and enforced the regime to take new initiatives for closing-down of corruption. This paper is an attempt to analyse the historical line of dishonesty in the pre-independent as well as post-independent India. It also analyses the existing machinery for the removal of corruption in India. The study concludes with the findings and suggestions.*

**Key Words:** Corruption, Governance, Scams, Investigation

## **Introduction**

Corruption in India is an all-pervasive phenomenon and as some believe corruption has turn-out to be a way of life in India. Its scale and level has increased day by day . A well known feature is that there has been a nexus between political and bureaucratic level. The problem of corruption is not confined the executive arm of the government alone; it has also affected the legislature, the

judiciary, the media and also a common man. The meaning of Corruption in Hindi is Bhrashtaachar which means "Bhrashta+Aachar". In other words, when the behavior of a person is not up to a certain standard, it is called corruption. The Santhanam Committee described corruption as a multidimensional phenomenon. Since independence there are many examples of corruption in India such as jeep scam, Mundra episode, Harshad Mehta security scam, urea scam, Sukhram episode, Tehalka Kand, Unit Trust of India scam, Hawala scandal, housing allotment scam, fodder scam , Coffin scam, Jai Lalita's episode, Operation Duryodhan, 2G spectrum, Common Wealth Games , Indian coal allocation scam and Adarsh Society scam etc.<sup>1</sup>

## **Backdrop of Corruption: A Review of India**

Like other countries, India was not free from corruption during its ancient, medieval and British period. But the extent of evil was certainly far less than what it is at present. So, it is important to study the historical roots of corruption in pre-independent and post-independent India.<sup>2</sup>

## **Corruption in Pre-Independent India**

It is essential to mention that Corruption has been an age-old observable fact in India. The ancient Indian intellectual Chanakya is theoretical to have believed in

the *Arthashastra* that there are 40 diverse methods by which public officials can indulge in the activity of corruption.<sup>3</sup> Indian system are notorious systemic loopholes and weaknesses in the legal process that politicians take advantage of to overcome investigations, genuine or motivated, against them. There are diverse logical and practical ways to get rid of corruption. But it is useless to look forward to the Indian political class to change the corrupt system that suits it or outlaw something that works amazingly to its benefit.<sup>4</sup> However, during British (1765-1947) period the place for corruption was very insignificant.<sup>5</sup> During this India's colonial period, corruption had grown to be a serious problem specially in the British East-India Company.<sup>6</sup> Lord Cornwallis and Lord Warren Hastings implemented many policies to increasing East India Company servants salaries, prohibits servants to take delivery of present only with a reason to reduce corruption.<sup>7</sup> The provisions of Indian Penal Code (1860) have been omitted by enacting the Prevention of Corruption Act, 1947.<sup>10</sup>

### **Key Cases of Corruption in Post-Independent India**

Corruption in the Indian social order has prevailed from time immemorial in one form or the other. The basic foundation of corruption started with India opportunistic leaders who have already done greater damage to India.<sup>11</sup> The situation has completely changed after India got independence in 1947.

The Britishers, who were exercising the authority in India had not the same kind of pressure of caste and nepotism which their

Indian successors faced. The British government maintained a law and order in India through impersonal law. In British period the economy was primitive and limited population came into contact to political system. Administrative corruption less affected the public life. But after Independence, the policies and decisions of government affected the citizen's life more intimately.

With the advent of independence and the beginning of independence and the commencement of economic planning, the corruption front opened up for large scale-escalation.<sup>1 2</sup>

Thus, after Independence there is a long, almost endless list of scams, starting from Jeep Scandal (1948) to Indian Coal Allocation Scam (2012).<sup>13</sup> The history of corruption in post independent India is as follows :-

#### **1. Jeep Scandal Case (1948)**

The jeep scandal was happened in 1948 involving a worth Rs.216 crores. In Nehru's cabinet V.K.Krishna Menon appointed as India's defence minister and first High Commissioner to U.K., signed an unfulfilled but fully paid up contract on behalf of the Government of India. Menon refused to face an inquiry against him. Despite this, no action was taken against him

#### **2. Mudgal Affair (1951)**

The constitution of India came into effect in 1950. Just after one year of implementation of Constitution in 1951 a member of Indian

parliament H.C.Mudgal was charged that he received monetary benefits from Bombay Bullion Merchant Association of worth Rs.20000. Mudgal denied all the allegation. The then prime minister Nehru appointed a committee headed by T.T.Krishnamachari to probe the charges. The Committee reported that the Mudgal's conduct was derogatory to the dignity of the and inconsistent with the standards which Parliament is entitled to expect from its members. H.G.Mudgal resigned from his seat.

### **3.The Mundhra Deal (1957) :**

The Mundhra scandal in itself was a big financial scandal after Independence in 1957. This scandal exposed the nexus between bureaucrats, stock market and businessmen. An enquiry Commission headed by Chief Justice M.C. Chagla was appointed to investigate this case. As the result of this enquiry Commission T.T.Krishnamachari and two other persons resigned from there respective positions.

### **4.P.S. Kairon Case (1963)**

In 1963 the chief minister of Punjab P.S.Kairon resigned due to the allegations.of corruption and nepotism against to him. These allegations and charges were made on the request of justice S.R. Das.<sup>14</sup>

### **6.The Fodder Scam (1996)**

In 1996 the famous Bihar's fodder scam (Chara Ghotala),worth Rs.900 crores, was

happened. C.M.Lalu Prasad Yadav and many political leaders were convicted in this scam.

### **7.2-G Spectrum Scam (2008)**

2G Spectrum was the biggest scam that ever happened in India. In the UPA II government A.Raja, the former minister of Communication and IT (from 200-09) was indulged in this scam of worth Rs. 1.76 lakh crores. According to the CAG, A.Raja violated the norms at every level during the distribution of 2G licenses awards in 2008 at a throw-away price which were pegged at 2001 prices.

### **8.Commonwealth Games Scam(2010)**

In 2010, the Commonwealth Games Scam not only criticized by the Indian media but the international media also. It is estimated that out of Rs 70,000 crores, only half of the total amount was spent on the games. The Corruption was found in various Commonwealth Games projects and tenders, delays in the construction of games venues and poor sales of tickets.

### **10. Indian Coal Allocation Scam (2012)**

The Indian coal Allocation scam happened under the UPA II government (2009-14) and came out in 2012. In March 2014,the CAG issued a report in which the UPA government accused for the inefficient allocation of nation's coal deposits to Public Sector Units and private companies without resorting to competitive bidding, which would have made

huge amounts to the Government ( to tune of Rs 1.86 Lakh crores.).<sup>15</sup>

### **Impact of Corruption on Governance in India**

Governance is, in short, anti-corruption whereby power and its organizations are responsible, effectual and competent, participatory, clear as crystal, approachable and impartial. Many developing countries governments have been largely involved in corruption. Indian governmental system is crying due to increasing corruption cases. Indian bureaucracy is immensely involved in corruption. Indian political elite class also villainous for corruption. Many paramount Indian political leaders are found guilty in corruption cases. It is widely considering that corruption cases dememorialise the model of governance. The increasing cases of corruption have been negatively affected Indian governance system. The last UPA II government has been involved in many corruption cases. The ineffectiveness of Indian Judiciary system and central investigation agencies raising the number of new cases of corruption in India. The Modi government has been very strict about corruption. Modi government has been taking essential steps to stop new cases of corruption. Modi government wants to provide the benefit of governance to Indian people. Therefore, Modi government focuses on governance and it is being introducing new models of governance.

### **Measures For Removal of Corruption in India**

The existing Machinery for removal of corruption is as follows:

1. Public Servants (Enquiries) Act, 1850.
2. Indian Penal Code, 1860.
3. Prevention of Corruption Act, 1947.
4. The Prevention of Corruption Act, 1988.
5. CBI (Central Bureau of Investigation)..
6. CVC ( Central Vigilance Commission).
7. SVC ( State Vigilance Commissions).
8. DGB ( Divisional Vigilance Boards.)
9. DVO ( District Vigilance Officers.)
10. Supreme Court and High Courts.
11. Commission for SCs and STs
12. Administrative Tribunals
13. Parliamentary committees.
14. - Lokayukta in various states.
15. Money Laundering Act, 2002.
16. Right to Information Act, 2005
17. Whilst Blowers Protection Act, 2011.<sup>16</sup>

### **Suggestions for Reducing Corruption in India**

1. It is important to b lacklist all the corrupt businessmen and politicians.
2. A transparent and strict scrutinize government tenders/orders system should be developed .

3. It is essential to introduce sweeping police reforms and stronger judicial accountability.<sup>17</sup>
4. It is important to minimize the discretionary powers of ministers and bureaucrats so that the corruption can be removed.
5. Legal literacy is very important for the citizen's so that they can understand and respect laws.<sup>18</sup>

### Conclusion

It is a relying fact that Corruption is a big problem for rising democracy like India.<sup>19</sup> This problem is not only weakened Indian administration but economy also.<sup>20</sup> Since independence, there is a long series of scams and scandals which show the administrative weaknesses of Indian political system.<sup>21</sup> The different governments have been made many parliamentary laws to combat corruption,<sup>22</sup> but all these efforts do not make any fruitful results. Therefore, the need of hour is to make a public opinion against corruption. In 2011, Anna Hazare, the famous social activist tried to make such of public opinion against corruption.<sup>23</sup> Thus, the problem of corruption can be removed only if people are well aware to their political system and the political system is transparent to people.

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