

# Ndia corruption essay sample

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Corruption in India- Causes, Impact and the Fight Against Corruption Despite the cohabitation of corruption and exceptional economic growth in India, researchers argue that that there is potential for further growth that is held back by the institutions of administration and linked corruption (Heston & Kumar, 2008). The roots of corruption can be traced back to various systems set up by the British (Quah, 2008). In this paper, transactional corruption is discussed, where money changes hands for the services rendered, or the expectation of the same. We should note that there is a high degree of variation in terms of the level of corruption across India caused by factors such as the degree of wealth, cultural context (Widmalm, 2005), education and fiscal decentralization (Charron, 2010). The government's monopoly in the supply of public goods and services has created several avenues for corruption (Quah, 2008; Paul, 1998; Wade, 1985). This has led to a reallocation of resources from efficient sectors to sectors that are good avenues for rent collection (Sondhi, 2000; Roy, 1996).

An experiment on obtaining drivers' license in India revealed that many unqualified drivers obtained licenses faster than more qualified drivers due to the presence of agents in the license obtaining process (Bertrand, Djankov, Hanna & Mullainathan, 2007). Although this may not be the ideal example that displays inefficient allocation of resources, this can be considered a reliable representation of the overall scenario. Corruption also exists because of strong influence of personalities not holding formal positions (Tummala, 2002). This creates a relative lack of accountability of the service providers to the citizens. When these top-down accountabilities are weak, horizontal accountability structures between the local civil society

and officials can develop into networks of corruption (René, Glyn, Stuart & Manoj, 2006). Corruption, in the form of bribes, is generated due to regulatory conditions (Bhattacharya & Ghose, 1998). Business executives bribe government officials not only to obtain legal rights to enter a particular line industry, but also to prevent others from entering the same line and remain competitive, thereby nurturing unhealthy competition (Collins, Uhlenbruck & Rodriguez, 2009; Lal & Clement, 2005).

Apart from the aforementioned impacts, as early as the 1980's, it was estimated that 41-58% of the potentially taxable income from all sources had been evaded (White, 1996). Corruption has also resulted in low quality deliverables to end-users at crucial times. During the Bhuj earthquake, poor structural design and poor building materials stemmed from corrupt practices (Monica, Anbarci & Register, 2007). Corruption has also lead to lack of computerized services made available to the public and this creates a hindrance for India to evolve technologically (Bussell, 2010). If corruption levels in India were reduced to the levels in Scandinavian countries, investment rates and economic growth could increase by 12% and 1.5% respectively (Sondhi, 2000). Hence, corruption has reduced the resources available with the government and hence its capacity for investment in state welfare. Corruption has also reduced the availability and increased the cost of basic social services (Sondhi, 2000). Corruption usually has an episodic nature of exposure and this has lead to a lack of organized fight against corruption (Paul, 1998). Meanwhile, there have been anti-corruption initiatives taken in India such as simplification of rules and procedures to reduce the scope of corruption (Tabish & Jha, 2012).

As early as March 1947, the Prevention of Corruption Act incorporated relevant sections of Indian Penal Code and became law. In June 1962, the Santhanam Committee was appointed to provide advice on practical steps to make anti-corruption measures more effective (Quah, 2008; Heston & Kumar, 2008; Tummala, 2002). However, there seems to be a lack of will and unfavorable policy context to supplement such initiatives. Researchers have argued that in the long run, the fight against corruption will only succeed if there is a favorable social climate created (Hager, 1973; Tummala, 2006). The answer to the corruption problem lies outside code, rules and enforcement sanctions since legal controls solely have limited effects in the long run (Hager, 1973). Curbing corruption in India can be considered as an “impossible dream” (Quah, 2008). Given the current political structure in India, it seems probable that India will remain a corrupt yet economically dynamic country in the coming years. References:

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