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Curbing Corruption in India: An Impossible Dream?

Jon S.T. Quah

This article analyses the serious problem of corruption in India by examining its causes and the various anti-corruption measures employed by the government from the formation in 1941 of the first anti-corruption agency, the Delhi Special Police Establishment, which was expanded to form the Central Bureau of Investigation (CBI) in April 1963. India's ineffective anti-corruption strategy can be attributed to the lack of political will of its leaders and its unfavourable policy context, which has hindered the enforcement of the anti-corruption laws. The lack of political will in fighting corruption is manifested in the lowest per capita expenditure and least favourable staff-population ratio of the CBI when compared to those of its counterparts in Singapore, Hong Kong, South Korea and Thailand. To enhance the CBI's effectiveness, it should be removed from the jurisdiction of the police and be established as an independent agency dedicated solely to curbing corruption. The Constitution of India should also be amended to empower the CBI to investigate corruption cases at the state level without obtaining the consent of the chief minister of the state. In view of the lack of political will, this article concludes that curbing corruption in India remains an impossible dream in the foreseeable future.

Keywords: Anti-corruption Measures; Central Bureau of Investigation; Corruption; India; Policy Context; Political Will

Corruption is the largest single element to be found most in India. All roads, from the maternity hospital to the crematorium, smell of corruption. No individual is free from it, no area can be found where corruption is not a ritual. (Kohli, 1975: 67)

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Introduction

In his assessment of the state of public administration in India, Paul A. Appleby (1953) devoted Section VI of his report to 'Irregularity and Corruption'. He was impressed with the low level of corruption in India and the honesty of its government and people. He wrote:

In view of structural and procedural defects and the very low rates of pay for most subordinate employees, the general situation appears to be surprisingly good. This would indicate that the shortcomings are not attributable to any low state of personal integrity. On the contrary, my impression is that the people here are rather more than ordinarily honest. . . . All in all, I believe that the general judgment I have expressed about the quality of the government of India applies in respect of honesty. This is to say that India is one of the dozen or so governments in which honesty has been carried to its highest levels. (Appleby, 1953: 53–54)

In stark contrast, a more recent evaluation by S.R. Maheshwari has painted a more negative picture of the civil service and civil servants in India. According to him:

The civil servant has forsaken his truly professional traits and is increasingly inclined to seek personal favours. . . . Today, a civil servant has become a seeker of favours. . . . The civil servants are perceived by society to be arrogant, self-opinionated, inaccessible, career-minded, and power-hungry. . . . The civil service presently suffers from over-staffing, wastefulness, corruption, politicisation, and excessive generalism. It must be made accountable, ethical and sensitive to the citizens. (Maheshwari, 2005: 232–233)

Similarly, Satya Prakash Garg (2006: v), a former senior civil servant in India with 35 years experience, has also criticised the Indian bureaucracy for being

accountability-free, unapproachable, backward looking and obstructs development. The complaints of the citizens are not heeded – a citizen never gets a reply to his complaints. The citizens and the government remain on the opposite side of the fence rather than being friendly and helpful to each other. Corruption is rife and persons in high positions in the government embezzle crores of rupees while those lower down steal lakhs. Fake stamp papers, currency notes, passports, driving licences and caste certificates proliferate.

What has happened in India during the past 55 years that has resulted in a more negative perception of the civil service and the perceived extent of corruption among its civil servants? This article addresses this question by first identifying the causes of corruption in India, followed by a review of the various anti-corruption measures employed by the government since 1941, when the Delhi Special Police Establishment (DSPE) was formed as the first anti-corruption agency. The third section of this article evaluates the effectiveness of the anti-corruption strategy adopted in India. The fourth section explains why the anti-corruption strategy is ineffective. The final section concludes the article by arguing that curbing corruption in India is an

impossible dream as the government lacks the political will to minimise corruption in the foreseeable future.

Causes of Corruption

Arnold J. Heidenheimer (1989: 8–11) has identified three main types of definitions of corruption: public-office-centred, market-centred and public-interest-centred definitions. However, this article adopts the public-office-centred definition of corruption by the United Nations Development Programme (UNDP, 1999: 7) as ‘the misuse of public power, office or authority for private benefit—through bribery, extortion, influence peddling, nepotism, fraud, speed money or embezzlement’.

Defined thus, corruption is a way of life in a country when it is rampant, occurs at all levels and is the norm rather than the exception. On the other hand, corruption is a fact of life in a country when cases of corruption are the exception rather than the rule. Grand corruption refers to corruption by political leaders and senior civil servants and usually involves ‘large, international bribes and “hidden” overseas bank accounts’ (Pope, 2000: xix). Conversely, petty or ‘survival’ corruption is practised by underpaid junior civil servants who demand bribes from the people to expedite their applications or perform other favours.

Corruption in India is a way of life and both grand and petty forms of corruption are pervasive. Indeed, the pervasiveness of corruption in India has resulted in the description of the steel frame of the civil service as the ‘steal frame’. According to Kamala Prasad (2006: 311), ‘corruption has become intractable in administration owing to the growing incidence of corruption in high places’. However, what is more distressing is that ‘corruption is such an everyday fact of life in India that its exposure, even in the most rampant forms, often fails to shock’ (Gentleman, 2008: 2). This was clearly demonstrated in January 2008, when a World Bank investigation, which revealed ‘serious incidents of fraud and corruption’ in five Indian health care projects financed by US\$568 million in loans, had ‘elicited little surprise’ (Gentleman, 2008: 2).

Why is corruption a way of life in India? In their analysis of corruption in the public services in India, Samuel Paul and Manubhai Shah (1997: 147–149) have identified five major causes. First, the government’s monopoly in the supply of public goods and services has reduced competition and created opportunities for corruption by restricting supply either deliberately or through inefficiency. A second and related cause is that the discretion of public agencies in decision-making provided opportunities and incentives for those involved to be engaged in corruption. Third, corruption exists because of the relative lack of accountability of the service providers to the citizens. Fourth, information barriers also contribute to corruption when service providers have information not available to citizens. Finally, as the average citizen is exposed to corruption in the public sector on an episodic and not daily basis, ‘it is unlikely that he will invest his time and resources in a systemic reform’.

and this explains 'why it is difficult to organize effective collective action against corruption in public services'.

However, the analysis of the causes of corruption by Paul and Shah is not exhaustive as they have excluded four other important causes. In his comparative study of the control of bureaucratic corruption in Hong Kong, India and Indonesia, Leslie Palmier (1985) has identified three factors as important causes of corruption: opportunities (which depend on the extent of involvement of civil servants in the administration or control of lucrative activities), salaries and policing (the probability of detection and punishment). More specifically, Palmier (1985: 271–272) has hypothesised:

Bureaucratic corruption seems to depend not on any one of the [three] factors identified, but rather on the balance between them. At one extreme, with few opportunities, good salaries, and effective policing, corruption will be minimal; at the other, with many opportunities, poor salaries, and weak policing, it will be considerable.

Palmier's hypothesis applies to India as its pervasive corruption can also be attributed to the low salaries of the civil servants, their ample opportunities for corruption and ineffective policing. The Third Pay Commission (1970–1973) in India stressed the link between low salaries and corruption thusly:

While it is not argued that the payment of high salaries by itself is a guarantee for the honesty and integrity of the public service, it can be confidently stated that the payment of a salary which does not satisfy the minimum reasonable needs of a government servant is a direct invitation to corruption. (cited Das, 2001: 105)

In his survey of civil service pay in South Asia, David C.E. Chew (1992: 78) found that 'despite salary revisions and dearness allowances, starting basic salaries of the five kinds of civil servants in South Asia remained very low in December 1987 by international standards'. C.P. Srivastava (2001: 91) compared the monthly salaries of the prime ministers in 1996 in India, Japan, Singapore and Thailand, and found that the monthly salary of Singapore's prime minister (US\$67,738) was 162 times higher than that of the Indian prime minister (US\$417).

In his excellent study of bureaucrats in India, Richard P. Taub (1969: 153–161) observed that the British had maintained control over India by means of three methods. First, the British created four levels of administration with the Indian Civil Service, the Indian Administrative Service, and the district and local administration. Second, rules were created to ensure control over the decision-making powers of the Indian subordinate officials. However, these rules cause delay and confusion today and provide ample opportunities for corruption. The third method was the centralization of decision-making, which required junior civil servants to obtain approval from their superior officers for their decisions.

Thus, the British method of creating rules to maintain control over the decision-making powers of the Indian subordinate civil servants had caused delay and

confusion and provided many opportunities for corruption. Indeed, Palmier (1985: 83–99) has argued that delays in investigations, prosecutions and the courts in India have further increased the opportunities for corruption as ‘delay breeds corruption’. According to Transparency International India (2007: 215–216), these cases were pending in February 2006: 33,635 cases in the Supreme Court; 3,341,040 cases in the high courts; and 25,306,458 cases in the 13,204 subordinate courts. Hence, it is not surprising that ‘this vast backlog leads to long adjournments and prompts people to pay to speed up the process’ (Transparency International India, 2007: 215–216).

Another important cause of corruption in India is the insufficient policing devoted to curbing corruption (Palmier, 1985: 280). In other words, as the probability of detecting and punishing corrupt behaviour is not high in India, the public perceives corruption as a low risk, high reward activity as those involved in corrupt practices are unlikely to be detected and punished.

In his analysis of corruption in the Indian Civil Service, P.C. Alexander (1995: 79) identified as a major cause of corruption, ‘the ease with which corrupt officials are able to get away without punishment [that is] commensurate with their offence’. According to him:

The constitution has justly given the guarantee to all officials that they cannot be dismissed, removed or reduced in rank except after an enquiry for which they will be given a reasonable opportunity of being heard. However the procedures involved in such enquiries have become so complicated and dilatory that the protection intended for the honest official has also become the loophole for the corrupt to escape. ... When punishments are not prompt and deterrent, they cease to be disincentives for the dishonest. (Alexander 1995, 80)

Sharing this view, Joginder Singh, a former CBI director, was not surprised by the World Bank’s finding of corruption in five health care projects in India in January 2008. When he was asked whether those involved in the corruption scandal would be prosecuted, he replied: ‘We should punish those people implicated. Unfortunately the legal system in this country is such that this is not going to happen and they will merrily keep the money’ (cited Gentleman, 2008: 2).

Finally, Krishna K. Tummala (2002: 64) has attributed the extensive corruption in India to the society’s attitude towards corruption as ‘no amount of legal restrictions would help combat corruption in India so long as the society itself in general is lenient and tolerant’. Indeed, the Santhanam Committee had noted in 1964 that ‘in the long run, the fight against corruption will succeed only to the extent to which a favourable social climate is created’ (cited Tummala, 2002: 64).

As Hindus constitute 81.3 per cent of the population in India, Tummala (2002: 45–46, 64) contends: ‘The Hindu system of life, as being not only absorbing but also forgiving in itself appears to be a hurdle’ in combating corruption as ‘a corrupt official can always count on the benevolence of a superior authority’. According to Tummala (2002: 46–47)

An errant individual can always go to the superior (religious or otherwise) and fall on his/her feet, literally and unashamedly, and the chances are that leniency is shown almost immediately regardless of the fact the culprit may or may not have repented for good.

Agreeing with this view, N. Vittal (2003: 19), the former Central Vigilance Commissioner, has attributed the 'social roots of corruption' in India to Hinduism's 'eternal message of tolerance, the sense of forgiveness, the hope held for sinners to come to the right path [which] probably have also led to the tolerance of a sin like corruption'.

Anti-corruption Measures

In 1860, corruption was defined in the Indian Penal Code as 'acceptance by public servants of any gratification, other than legal remuneration, in exchange for an official act' (Shunglu, 2000: 13). However, India only initiated her struggle against corruption in 1941, when the DSPE was established to 'investigate cases of bribery and corruption in transactions' (Palmier, 1985: 30) involving the War and Supply Departments. The DSPE's officers were empowered in 1943 by Ordinance No. 22 to investigate corruption cases involving central government departments in India. This ordinance was replaced in September 1946 by the DSPE Act, which transferred control of the DSPE to the Home Department, which is now known as the Ministry of Home Affairs (MHA) (Palmier, 1985: 30).

In March 1947, the Prevention of Corruption Act (POCA) incorporated relevant sections of the Indian Penal Code and became law. In 1949, the government formed a committee chaired by Baksi Tek Chand to review the POCA's operation and to evaluate the DSPE's effectiveness in curbing corruption. Three years later, the Chand Committee recommended that the DSPE's activities should be expanded. The government accepted this recommendation and an Enforcement Wing was added to the DSPE in 1953 to handle offences involving violations of import and export regulations at Bombay, Calcutta and Madras. In 1955, an Administrative Vigilance Division (AVD) was established within the MHA to co-ordinate anti-corruption measures within the central government (Palmier, 1985: 13, 31).

In June 1962, the Santhanam Committee was appointed 'to review the existing instruments for checking corruption in the Central Services' and to provide advice on the 'practical steps that should be taken to make anti-corruption measures more effective' (cited Palmier, 1985: 14). The Santhanam Report made three important recommendations: First, it recommended the formation of a Central Vigilance Commission (CVC) to 'investigate any complaint or suspicion of improper behaviour' against a civil servant. The second recommendation was the appointment of a Chief Vigilance Officer (CVO) in each ministry or department to supervise its vigilance staff. The Santhanam Report's final recommendation was the amendment of the POCA to include the provision: 'The possession by a public servant of assets

disproportionate to income, and for which a satisfactory explanation could not be made, was itself criminal misconduct' (cited Palmier, 1985: 14).

In April 1963, the government created the Central Bureau of Investigation (CBI) by incorporating the DSPE as one of its six divisions namely, the Investigation and Anti-corruption Division. As the CBI's role is to investigate crimes handled by the DSPE, the DSPE Act of 1946 remains in force and provides the legal sanction and authority for investigations by the CBI, which does not have any statutory basis itself. Thus, the MHA, through its AVD assumed control of the CBI's work and provided for its budget. Arising from the recommendations of the Administrative Reforms Commission of 1966, the CBI and AVD were transferred from the MHA to the new Department of Personnel, Cabinet Secretariat in 1970 (Palmier, 1985: 31–32).

The CBI derives its investigating powers from the DSPE Act of 1946 as its Section 5 states that the central government can empower it to investigate the notified offences in any state, but such empowerment is only possible with the consent of the government of that state. The Constitution of India states that law and order come under the jurisdiction of the states. Accordingly, the CBI, as a police organisation of the central government, cannot operate in the states without the permission of the state concerned because of this constitutional provision.

C.V. Narasimhan (1997: 255–256) a former CBI director, observed that the CBI did not encounter any problem within the states when the Congress Party was in power in the states and centre during the post-independent period. However, the situation changed drastically when different political parties assumed power in the states because some state governments had withdrawn the consent given by their predecessors 'whenever they felt that an investigation taken up by the CBI was politically embarrassing or uncomfortable for them'. In other words, the CBI's status as an investigating agency in the states depends on their governments' mercy. Narasimhan (1997: 256) has identified this CBI's weakness as 'a serious handicap in planning any nation-wide network of investigating units for anti-corruption inquiries'.

The 28 states in India have their own anti-corruption bureaus (ACBs) for dealing with vigilance and anti-corruption work, but these ACBs derive their powers of investigation from the Police Act as they are regular police units. If there is public pressure for an inquiry into the misconduct of a minister, the central or state government concerned will form a commission to inquire into the specific allegations against the minister. The Commission of Inquiry will present its report on the facts ascertained during the inquiry to the government concerned, which will refer the matter to the CBI or state ACB for investigation if a person is to be prosecuted. However, the investigation process and the ensuing trial are time-consuming and do not result in swift punishment of the guilty persons (Narasimhan, 1997: 257–258). Narasimhan (1997: 258) lamented in 1997: 'Not a single CBI case involving ministers has ended in a firm conviction in the court during the last 40 years'.

Following the recommendation of the Santhanam Committee, the CVC was formed in February 1964 to perform these four functions:

1. To investigate any transaction in which a public servant is alleged to act for an improper purpose;
2. To examine any complaint that a public servant had exercised his powers for improper or corrupt purposes and any complaint of corruption, misconduct, lack of integrity or other malpractices by a public servant, including members of the All India Services;
3. To request reports from ministries, departments and public enterprises to enable it to check and supervise their vigilance and anti-corruption work; and
4. To request the CBI to investigate a case, or to entrust the complaint, information or case for inquiry to the CBI or the ministry, department or public enterprise concerned (Narasimhan, 1997: 264–265).

During 1964–1998, the CVC was headed by a commissioner, who was appointed by the president on the recommendation of the prime minister for five years. The CVC Ordinance was enacted on 25 August 1998, and it transformed the CVC into a statutory body to supervise the operations of the CBI. The CVC consists of a central vigilance commissioner appointed for four years, and a vigilance commissioner appointed for three years. The CVOs in the ministries and departments are appointed in consultation with the commissioner, who assesses their performance. The CVC submits an annual report on its activities to the MHA. Apart from receiving complaints from individuals, the CVC collects and collates data on corruption and malpractices from such sources as press reports, parliamentary speeches, audit objections, reports of parliamentary committees and CBI reports (Palmier, 1985: 52). The Commissioner advises the departments on the action to be taken on CBI reports on gazetted officers. He also reviews the preventive work of the CVOs and vigilance officers in different departments and provides them with the required directions (Narasimhan, 1997: 266).

Evaluation of the Anti-corruption Strategy

As discussed above, India began its fight against corruption in 1941 and has relied on the CBI, CVC and the state ACBs to curb corruption. A decade ago, S.S. Gill (1998: 237–238), a former senior civil servant, wrote: ‘Looking to the number of agencies created to tackle corruption, it would appear that the government was in dead earnest to eradicate this malady’, but ‘this elaborate and multi-layered apparatus to control administrative corruption has hardly made a dent on the situation’.

Indeed, the fact that corruption is a way of life in India is clearly a manifestation of the failure of its anti-corruption strategy. According to Gill (1998: 125–127):

One cannot think of any sphere of public administration which is not infested with corruption. . . . Corruption in the countryside is mostly a petty, retail phenomenon,

though practiced on a vast scale. It is the urban corruption where large sums are involved and the operational modalities are much more sophisticated. ... Corruption, unlike a headache, is not confined only to the top; it infects the whole system. Every level devises its own methods of extortion.

The ineffectiveness of India's anti-corruption strategy is also reflected in its low ranking and scores on Transparency International's Corruption Perceptions Index (CPI) from 1995–2007 as shown in Table 1. Even though India's CPI score has improved from 2.78 in 1995 to 3.5 in 2007, its relatively low score is also reflected in the fact that it was ranked jointly in seventh position with China among the 21 Asian countries included in the 2007 CPI (See Table 2).

India's 2007 CPI score of 3.5 is also confirmed by its low percentile rank and governance score on the World Bank's governance indicator on the control of corruption for 2007. Table 3 shows that India is ranked in 11th position with a governance score of -0.39 among 24 Asian countries.

In addition to India's ranking on the CPI and World Bank's governance indicator on the control of corruption, Table 4 shows that the public trust in the financial honesty of Indian politicians is quite low among the 14 Asian countries included in the survey of 102 countries in *The Global Competitiveness Report 2003–2004*. More specifically, India was ranked 82nd among the 102 countries surveyed and 13th among the 14 Asian countries included in the survey. Bangladesh and the Philippines were the only two Asian countries that were ranked lower than India.

The final manifestation of India's ineffective anti-corruption strategy is the empirical evidence for the extensive 'retail' corruption in Ahmedabad, Bangalore, Calcutta, Madras and Pune. Table 5 shows that the percentage of the urban poor who paid bribes was the highest in Bangalore, followed by Madras, Ahmedabad, Calcutta

Table 1 India's Ranking and Score on the CPI, 1995–2007

Year	CPI ranking	CPI score	No. of countries
1995	35 th	2.78	41
1996	46 th	2.63	54
1997	45 th	2.75	52
1998	66 th	2.90	85
1999	72 nd	2.90	99
2000	69 th	2.80	90
2001	71 st	2.70	91
2002	71 st	2.70	102
2003	83 rd	2.80	133
2004	90 th	2.80	146
2005	88 th	2.90	159
2006	70 th	3.30	163
2007	72 nd	3.50	180

Source: Compiled from Transparency International (n.d.).

Table 2 Ranking and Scores of 21 Asian Countries on 2007 CPI

Country	CPI rank	CPI score**
Singapore	4 th	9.3
Hong Kong SAR*	14 th	8.3
Japan	17 th	7.5
Macau SAR*	34 th	5.7
Taiwan	34 th	5.7
Malaysia	43 rd	5.1
South Korea	43 rd	5.1
Bhutan	46 th	5.0
China	72 nd	3.5
India	72nd	3.5
Thailand	84 th	3.3
Sri Lanka	94 th	3.2
Mongolia	99 th	3.0
Vietnam	123 rd	2.6
Nepal	131 st	2.5
Philippines	131 st	2.5
Pakistan	138 th	2.4
Indonesia	143 rd	2.3
Bangladesh	162 nd	2.0
Cambodia	162 nd	2.0
Laos	168 th	1.9
Afghanistan	172 nd	1.8
Myanmar	179 th	1.4

Notes: *Hong Kong SAR and Macao SAR are part of China.

**The CPI score ranges from 0 to 10, with 0 indicating extensive corruption and 10 no corruption.

Source: Compiled from Transparency International (2007).

and Pune. Not surprisingly, Paul and Shah (1997: 151–152) have concluded that ‘corruption is a pervasive phenomenon in India’s public services’.

Reasons for India’s Ineffective Anti-corruption Strategy

Lack of Political Will

There are two major reasons for India’s ineffective anti-corruption strategy: the lack of political will and the unfavourable policy context. Political will refers to ‘the demonstrated credible intent of political actors (elected or appointed leaders, civil society watchdogs, stakeholder groups, etc) to attack perceived causes or effects of corruption at a systemic level’ (Kpundeh, 1998: 92). Indeed, political will is the critical ingredient for an effective anti-corruption strategy because the political leaders must demonstrate their commitment by providing (1) adequate resources for combating corruption, (2) comprehensive anti-corruption laws, (3) an independent anti-corruption agency and (4) punishment for those found guilty of corruption, regardless of their status or position in society (Quah, 2004: 4).

The first manifestation of the lack of political will in curbing corruption in India is the public perception that the CBI is ‘a pliable tool of the ruling party, and its

Table 3 World Bank's Governance Indicator on Control of Corruption for 24 Asian Countries, 2007

Country	Percentile rank (0–100)	Governance score (–2.5 to +2.5)
Singapore	96.1	+2.20
Hong Kong SAR*	92.3	+1.61
Japan	84.5	+1.20
Bhutan	80.2	+0.92
Macao SAR*	72.5	+0.50
Taiwan	70.0	+0.41
South Korea	68.1	+0.36
Brunei	63.8	+0.23
Malaysia	62.3	+0.19
Sri Lanka	57.5	–0.13
India	47.3	–0.39
Thailand	44.0	–0.44
Mongolia	33.8	–0.61
China	30.9	–0.66
Nepal	30.4	–0.66
Vietnam	28.0	–0.69
Indonesia	27.1	–0.72
Maldives	23.7	–0.78
Philippines	22.2	–0.79
Pakistan	21.3	–0.83
Laos	13.0	–1.00
Bangladesh	9.7	–1.05
Cambodia	8.2	–1.08
Myanmar	1.4	–1.46
Afghanistan	1.0	–1.53
North Korea	0.5	–1.69

Note: *Hong Kong SAR and Macao SAR are part of China.

Source: World Bank 2008.

investigations tend to become cover-up operations for the misdeeds of ministers' (Gill, 1998: 238). Madhav Godbole (2000: 88) a former senior civil servant, was also critical of the CBI's poor performance:

The CBI was also found to have been used by the then Prime Minister Indira Gandhi, as an instrument of persecution. . . . The record of the CBI in respect of investigation of cases involving the high, the mighty and the powerful is, to put it very mildly, disgraceful.

Furthermore, the CBI's ineffectiveness is also reflected in its low conviction rate as only 300 of the 1,349 cases (22.2 per cent) in 1972 and 164 of the 1,231 cases (13.3 per cent) in 1992 resulted in conviction. However, the CBI's conviction rate has improved in recent years as its conviction rate in 2005 was 65.6 per cent (CBI, 2006: 8, 29). The CBI has also been accused by Gill (1998: 238) of going 'only after the small fry' as only one gazetted officer was dismissed in 1972 and two officers in 1992. A final indicator of the CBI's ineffectiveness is its poor record in investigating the various mega scams as there have been no convictions.

Table 4 Public Trust of Politicians among 14 Asian Countries

Country	Rank	Score**
Singapore	1	6.5
Hong Kong SAR*	13	4.4
Malaysia	19	3.8
China	20	3.8
Taiwan	24	3.6
Vietnam	25	3.5
Indonesia	38	3.1
Thailand	40	2.9
South Korea	42	2.9
Japan	51	2.3
Sri Lanka	56	2.2
Pakistan	72	1.8
India	82	1.7
Bangladesh	90	1.5
Philippines	94	1.4

Notes: *Hong Kong SAR is part of China.

**The score ranges from 1–7 with 1 = very low, and 7 = very high.

Source: Sala-i-Martin (2004: 499, Table 7.10).

In his evaluation of India's anti-corruption strategy, Palmier (1985: 112) noted that the most serious weakness was the lack of commitment of the political leaders as 'many politicians are themselves corrupt, and are in no position to cast stones at officials'. This lack of political will is reflected in the government's unwillingness to provide adequate resources for its anti-corruption efforts. Palmier elaborated on this criticism thusly:

The notion is simply ludicrous that one Central Vigilance Commissioner can effectively consider the files of all gazetted officers charged with corruption, or that their cases can be properly investigated by a handful of Commissioners for Departmental Inquiries. True priorities are shown by the allocation of resources more than by any rhetoric; on that score the control of corruption cannot be said to be very high on the list of preferences of the Government of India. The Central Vigilance Commission and the Central Bureau of Investigation appear to have been given just enough powers and resources to permit some activity, *but not enough to make them effective*. (Palmier, 1985: 113; emphasis added)

Table 5 The Speed Money Phenomenon in Five Indian Cities

City	Percentage of poor paying bribes	Amount of bribe
Ahmedabad	20%	Rs. 500
Bangalore	33%	Rs. 850
Calcutta	12%	NA
Madras	26%	NA
Pune	6%	Rs. 350

Source: Paul and Shah (1997: 151–152).

The CBI's sanctioned strength in 2005 was 5,891 personnel. However, its actual manpower was 4,711 personnel as there were 1,180 vacancies (CBI, 2006: 38). B.R. Lall (2007: 230–231) a former CBI joint director, has described the CBI as 'a very small organisation as compared to the quantum of crimes committed in the country'. Accordingly, he has recommended the expansion of the CBI's staff by 20 per cent annually for the next decade until the CBI has 6,000 investigators.

Apart from being understaffed, Table 6 shows that the CBI's staff-population ratio is the least favourable of the five anti-corruption agencies even though the CBI has more personnel than the other four agencies. Similarly, the CBI's annual budget of US\$30.3 million for 2005 is lower than the budget of Hong Kong's Independent Commission Against Corruption (ICAC) of US\$85 million but higher than the budgets of the National Counter Corruption Commission (NCCC) in Thailand, the Korea Independent Commission Against Corruption (KICAC) in South Korea and the Corrupt Practices Investigation Bureau (CPIB) in Singapore. Furthermore, the CBI's per capita expenditure of US\$0.28 is lower than the NCCC's per capita expenditure of US\$0.36, the KICAC's per capita expenditure of US\$0.37, the CPIB's per capita expenditure of US\$1.79 and the ICAC's per capita expenditure of US\$12.14. The CBI's inadequate personnel and budget are a clear manifestation of the Indian government's lack of political will in curbing corruption.

There are two additional weaknesses of the CBI which have adversely affected its effectiveness in curbing corruption. First, unlike the CPIB and ICAC, the CBI has maintained the traditional British method of relying on the police to curb corruption since 1963 even though this method has been proved to be ineffective. The experiences of the CPIB and ICAC have shown the folly of relying on the police to curb corruption when the police are corrupt. Singapore's experience in combating corruption has shown that from 1937 to 1951, the Anti-corruption Branch (ACB) within the Criminal Investigation Department (CID) of the Singapore Police Force was ineffective because of its limited resources and the prevalence of police corruption. The discovery by the British colonial government in October 1951 of

Table 6 Comparative Analysis of the Personnel and Budgets of the CBI, CPIB, ICAC, KICAC and NCCC in 2005

Item	CBI	CPIB	ICAC	KICAC	NCCC
Personnel	4,711	82	1,194	205	924
Budget (US\$)	30.3 million	7.7 million	85 million	17.8 million	22.8 million
Population of country	1,103.4 million	4.3 million	7 million	47.8 million	64.2 million
Staff-population ratio	1: 234,217	1: 53,086	1: 5,863	1:233,171	1:69,481
Per capita expenditure	US\$0.28	US\$1.79	US\$12.14	US\$0.37	US\$0.36

Sources: Compiled from CBI (2006), Republic of Singapore (2007), ICAC (2006), KICAC (2006), ONCCC (2006) and The Economist (2007).

the involvement of senior police officers in the robbery of S\$400,000 (US\$133,330) worth of opium (known as the Opium Hijacking scandal), made the colonial government realise the necessity of removing the task of corruption control from the police. Consequently, the CPIB was formed as an independent anti-corruption agency in October 1952 (Quah, 2004: 1).

Similarly, the British colonial government also employed the same method of corruption control used in Singapore in Hong Kong, forming the ACB in 1948 as a special unit of the CID of the Royal Hong Kong Police Force (RHKPF) to deal with the investigation and prosecution of corruption cases (Kuan, 1981: 24). The ACB was separated from the CID in 1952, but it still remained within the RHKPF. As the ACB was ineffective, it was upgraded into an Anti-corruption Office (ACO) with the enactment of the Prevention of Bribery Ordinance in May 1971. Even though the ACO was given more manpower its lack of independence from the RHKPF remained a serious obstacle. The ACO's credibility was undermined on 8 June 1973, when a corruption suspect, Chief Superintendent Peter F. Godber, escaped to the United Kingdom while he was under investigation. Godber's escape angered the public and the government responded by appointing the Blair-Kerr Commission of Inquiry to investigate the circumstances leading to his escape. Consequently, the Governor, Sir Murray MacLehose, was forced by public criticism to accept the Blair-Kerr Commission's recommendation to establish an independent agency, separate from the RHKPF, to fight corruption. In October 1973, he informed the Legislative Council of his decision, and four months later, the ICAC was established on 15 February 1974 (Lethbridge, 1985: 82–103).

In short, Singapore's and Hong Kong's successes in curbing corruption can be attributed to their rejection of the British colonial method of relying on the police to curb corruption and their reliance instead on the CPIB and ICAC respectively. Singapore has taken 15 years (1937–1952), while Hong Kong has taken 26 years (1948–1974) to learn this important lesson: do not rely on the police to curb corruption especially when police corruption is pervasive as 'this would be like giving candy to a child' and expecting him not to eat it (Quah, 2004: 2). The Indian government has not learnt this important lesson yet, as it still relies on a police agency—the CBI—to fight corruption in the midst of rampant police corruption in the country.

A survey of corruption in five South Asian countries involving 16,525 respondents conducted by Transparency International between November 2001 and May 2002 found that the police was identified as the most corrupt sector in Bangladesh, India, Pakistan and Sri Lanka, and the third most corrupt sector after land administration and customs in Nepal (Thampi, 2002: 9–10, 12). In India, it was reported that:

53% of respondents reported that political intervention was the main form of corruption they faced in their interactions with the police department; 14% said that money was demanded for making an FRI (First Information Report). 50% of

all those who interacted with the police admitted paying bribes. The police officer on duty was seen by 54% as the chief beneficiary. (Thampi, 2002: 14)

The above finding on the extensive police corruption in India is not surprising as it has also been observed previously by other scholars. For example, David H. Bayley (1969: 283–285) found: ‘Corruption in the police has become a byword in India, as indeed it has for government servants generally’. Indeed, 55 per cent of the urban respondents in Kanpur and 33.2 per cent of respondents in Bangalore thought that there was a ‘great deal’ of police corruption. Bayley (1969: 286–288) concluded:

In sum, the Indian public not only believes that there is a good deal of corruption in the police . . . but about one out of five has seen it and a similar proportion has taken the lesson to heart and would take money with them in their dealings with the police in order to secure action. . . . Indians have no illusions about the morality of their policemen. Dishonesty is readily associated with the police and colors their image of the police in striking hues.

In view of the prevalence of police corruption in India, it is surprising that the government has continued to rely for the past 45 years on the CBI to curb corruption even though this traditional British method of relying on the police for corruption control has been shown to be ineffective. The CBI’s second weakness is that it is a police agency and is not concerned with fighting corruption only as it has three major areas of operation: anti-corruption, economic crimes and special crimes (including organised crime and terrorism). Given the current international emphasis on combating terrorism, it will be difficult for the CBI to focus exclusively on its anti-corruption activities in view of the competing demands on its limited resources.

Accordingly, to improve the CBI’s effectiveness, the following reforms, which require political will, must be introduced: (1) the CBI must be removed from police control and be transformed into an independent anti-corruption agency dedicated solely to combating corruption, and (2) the CBI’s powers must be increased by amending the Constitution of India so that it does not have to obtain permission from the state governments to investigate corruption cases in the states.

Unfavourable Policy Context

Apart from the lack of political will that is reflected in the CBI’s ineffectiveness, India’s anti-corruption strategy has also been hindered by the country’s unfavourable policy context. Howard M. Leichter (1979: 40) has defined the policy context in terms of ‘a simultaneous interplay of more than one situational, structural, cultural, or environmental influence’. He has provided a comprehensive accounting scheme of 37 factors for analysing the policy context in a county (Leichter, 1979: 41–42). However, for this article, India’s policy context is analysed in terms of its geographical, historical, economic, demographic and political aspects that influence the implementation of its anti-corruption strategy.

Gill (1998: 251) has astutely observed: 'God seems to have taken special care to make India ungovernable. Her extreme diversities and disparities make the emergence of large common denominators almost impossible'. First, the policy context is not conducive for the implementation of the anti-corruption measures as India is the seventh largest country in the world with a land area of 3,287,000 sq km, and its population of 1,103.4 million in 2005 is the second largest in the world (Economist, 2007: 14, 16). India's complex administrative structure with its four layers of administration at the central, state, local and district levels provides many opportunities for corruption, and its large size and diversity make the enforcement of the anti-corruption laws difficult, especially at the state, local and district levels (Quah, 2003: 59).

Second, India has the third largest economy in Asia after Japan and China as its GDP in 2005 was Rs 35,672 billion (US\$806 billion), and its GDP per capita was Rs 32,303 (US\$730) (Economist, 2007: 26, 156). It is also rich in natural resources and has reserves of coal, gas and oil. However, in spite of its abundant natural resources, there is a great deal of poverty in India. With a high poverty rate of 52.5 per cent in 1996, and 509 million people living on less than US\$1 per day, Michael Todaro (2000: 196) contends that India 'epitomizes the problem of absolute poverty'. India's absolute poverty and its low GDP per capita are responsible for the low wages of civil servants and political leaders, which is a major cause of the rampant corruption in the country.

Third, India's large population is also heterogeneous in terms of ethnicity and religion. As discussed earlier, Hinduism, which is the religion of 81.3 per cent of the population, has hindered the country's anti-corruption efforts in two ways. First, Hinduism's forgiving nature and its tendency to show leniency towards offenders have undermined the enforcement of the anti-corruption measures. Second, as Hindus, many Indians have a fatalistic attitude, which is not conducive for fighting corruption as they believe that they cannot change the status quo to minimise the problem of corruption (Tummala, 2002: 46–47).

Fourth, as a former British colony for 89 years, the legacy of British rule was generally positive as it created the Indian Administrative Service (IAS), introduced meritocracy in the recruitment to the IAS, constructed an extensive infrastructure of roads, railways and telecommunications, and promoted the rule of law, respect for personal liberty and equality. During the first two decades of independence, the Congress Party dominated the Indian political scene. However, the defeat of the Congress Party in the 1977 general election and the Congress (I) Party in the 1989 general election led to political instability and the growing importance of coalition governments in India in recent years. However, the lack of political continuity makes it more difficult for the incumbent government to curb corruption effectively.

In short, India's policy context is unfavourable for the effective implementation of its anti-corruption strategy in these respects: India has a huge population of 1,103.4 million scattered over a vast sub-continent of 3,287,000 sq km; a complex administrative structure with four layers; a high poverty rate and low GDP per

capita of US\$730; the reluctance of Hindus, who constitute 81.3 per cent of the population, to punish corrupt offenders and to change the status quo; and the lack of political stability and continuity after the 1989 general election.

Conclusion

Is curbing corruption in India an impossible dream? The answer, frankly, is yes as the government has so far not demonstrated strong political will in combating corruption as reflected in the ineffectiveness of the CBI and the unfavourable policy context, which has hindered the implementation of the anti-corruption measures.

On 13 March 2001, Tehelka.com released its tapes showing Bangaru Laxman, president of the ruling Bharatiya Janata Party (BJP), receiving money from a Tehelka journalist posing as an arms dealer. In the wake of this exposé, Joginder Singh, a former CBI director, was pessimistic about resolving the problem of corruption in India:

The rot is so deep that it can't be solved by one single party. . . . The real problem is not the system, the real problem is that the people are corrupt. The malady is too deep, the problem too serious to be solved by speeches (cited Quah, 2003: 77).

On the other hand, in his analysis of the strategies employed to combat corruption in India, Lall (2007: 237, 284–285) has observed:

We have continued to skirt the biggest problem [of corruption] that the country has been facing during the past six decades since independence. The excuses advanced from time to time for not sorting out the problem [of corruption] are of no consequence. . . . The present mess, if allowed to continue, threatens the very integrity of our nation. . . . It is possible to retrieve the situation, to prevent corruption and to stop the drain of resources of the nation. However, it can be [done] neither through slogan shouting, nor by displaying boards and hoardings, but by strict and equitable laws and their firm enforcement without fear or regard for any one's status or position. It is strong unwavering action against corruption and the corrupt which really will make the difference and change the mindset.

Lall (2007: 287) concluded his book on an optimistic note with the following prescription:

A strong and determined Prime Minister can make all the difference, liberate these agencies and give their souls to them. Very few persons are required for the task of cleansing the rot and there is no dearth of such people in this country. Only they have to be placed in right positions. . . . All we require is a straightforward, effective, honest, firm, bold and a well-meaning Prime Minister for a few years at least.

Who is right and what is the likely scenario in India in terms of combating corruption in the foreseeable future? Is Lall's optimistic forecast realistic? Or is Joginder Singh's pessimism warranted? In my view, India's anti-corruption strategy is

'hopeless' as its political leaders have so far not demonstrated the political will required to improve its ineffective anti-corruption measures, especially the CBI, which appear to have been designed to fail (Quah, 2006: 179).

After analysing the anti-corruption policies of various governments, Ian Senior (2006: 184, 187) made this astute observation:

The principal people who can change a culture of corruption if they wish to do so are politicians. This is because they make the laws and allocate the funds that enable the laws to be enforced. If, however, politicians at the top of the hierarchy have routinely worked their way up by accepting bribes to fund their parties and themselves, there is little prospect that they will wish to cleanse their colleagues or their nation of corruption. . . . The very people who are the greatest beneficiaries of corruption have the greatest power and use the corrupt nature of government to maintain that power.

Unfortunately, Senior's analysis also applies to India and explains why corrupt Indian politicians are not committed to the eradication of corruption in their country as they do not wish to kill the 'goose that lays the golden eggs'.

As the situation in India is unlikely to change in the foreseeable future, my answer to the question: 'Is curbing corruption in India an impossible dream?' is an unequivocal 'yes', as the Indian political leaders have not taken the critical first step of demonstrating their sincere commitment to curbing corruption in their country. In other words, curbing corruption in India remains an impossible dream so long as its political leaders are unwilling to impartially implement an effective anti-corruption strategy.

Finally, the hopeless situation in India in terms of curbing corruption is best captured in the following joke entitled: 'God's Response to Corruption':

Perturbed by [the] annual CPI rankings, many prime ministers and presidents of corrupt countries approached God for help in eliminating corruption. God's response was that it might not happen in their lifetime. It was a shock to them and all of them wept bitterly on God's shoulder. [The] Indian prime minister also sought God's help and advice so that he could also eliminate corruption from India. The response of God was 'NOT IN MY LIFE TIME' and God commenced shedding tears. However, God did say that corruption could be eliminated provided people are educated and empowered about this evil (cited Transparency International, 2002: 6).

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