

CORRUPTION: THE MALAISE OF DEMOCRACY

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Introduction

The twentieth century has been referred to as “democracy’s century”. In the year 1900 there was no government in the world that had been elected by competitive multi-party suffrage. However, a century later, that is, by the year 2000, 120 of the 192 existing countries representing 62.5% of the world’s population were electoral democracies.

Democracy is a concept of political organisation consisting of basic features that most people can agree upon and that have been applied in practise for almost 2500 years. In simple terms, democracy is *a procedure for taking decisions in any group, association or society, whereby all members have an equal right to have a say and to make their opinion count*¹. Over time democracy has undergone remarkable transformation and now posits many variations. The most durable variation is the indirect or representative form of democracy. A recent definition of democracy defines it as *a regime or system of governance in which rulers are held accountable for their actions in the public realm by citizens, acting directly through the competition and co-operation of their representatives*.² Democracy thus visualises the *sovereignty of equal*

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¹ *Introduction: what is democracy?* accessed through, www.oneworldpublications.com/pdfs/Dmrcy_BG.pdf

² *Corruption and Democracy: Political finances – Conflicts of interest– Lobbying – Justice*, accessed through, <http://book.coe.int/ftp/3092.pdf>

*citizens and the accountability of unequal rulers.*³ Due to the continuous evolution of the concept it is difficult to offer a precise and definite meaning to democracy. Nevertheless, a modern democratic state today encompasses certain principles and processes:

- a. the promotion of, respect for and the protection of fundamental rights and freedoms of its citizens
- b. the separation of powers between different organs
- c. the enforcement of the rule of law
- d. the existence of a government that serves the common good of its citizens
- e. accountability of public authorities and transparency in their functioning
- f. the existence of multiple parties
- g. the conduct of regular, free, fair and equal elections through universal adult suffrage.

In its evolution across various socio-political environments, democracy has also had to encounter numerous obstacles and challenges. One of the evident challenges of democracy today is the malaise of corruption.

Corruption

Corruption comes from Middle English and Latin roots: *corruptus*, a past participle of *corrumpere*; *rumpere*, to break; therefore adjectively, utterly broken. It is a word that includes in its sweep perversions of integrity and morality, dishonesty of every stripe, debasement and depravity. It takes many forms: political, corporate, legal, intellectual, police and more. Monetary corruption in the limited sense of bribes, kickbacks and skimming or siphoning is perhaps less a form of corruption than the manifestation or inevitable consequence of policies that are deliberately skewed.⁴

Defining corruption is no easy task. Indeed, there is no international consensus on the meaning of corruption. This is in part because corruption assumes many different guises. It operates at different levels, in different sectors or spheres and is likely to manifest itself very differently according to the setting in which it is found. The boundary that separates what is considered acceptable behaviour or

³ Corruption and Democracy: Political finances – Conflicts of interest– Lobbying – Justice: *op.cit.*

⁴ Patel, G., “What We Talk About When We Talk About Corruption,” in *Economic & Political Weekly*, April 23, 2001, Vol. 46, no. 17.

practice from that which is deemed to be unacceptable or 'corrupt' can, on occasions, appear very blurred. One of the simplest and perhaps most commonly used definitions of corruption is *the misuse of public office for private gain*. This common definition involves private gain via public authority: the abuse of public power for private benefit or profit. This is the working definition that many world organizations use in discussing corruption including the World Bank, the International Monetary Fund, and Transparency International. Webster notes that this is an attempt to define corruption universally and without regard to a specific culture.⁵ According to this definition corruption occurs at any time public officials or employees misuse the authority placed in them for either monetary or non-monetary gain which accrues either to them or their relatives or their friends or acquaintances. However, such an understanding of corruption is narrow; it limits the acts and activities of corruption only to the public sphere. It is not just politicians and public officials who are capable of abusing authority and power. It also assumes a clear distinction between public and private, which is not the case in many societies.

A boarder definition of corruption is *the abuse of entrusted power for private gain at the expense of others or of the society as a whole*.⁶ This definition enables us to recognize the human costs and relational aspects of corruption. It makes us aware of the wide range of actors involved. It also allows us to see that corruption and governance are inextricably linked as they have to do with the use and abuse of power.

In 1996 the then President of the World Bank, James D. Wolfensohn, declared that, for developing countries to achieve growth and poverty reduction *we need to deal with the cancer of corruption*. With this address Wolfensohn confronted a concern which the development community had for long constantly ignored. In the following decade, fighting corruption has moved to the forefront of all national and international development dialogues. Several recent global public opinion polls indicate that corruption is seen as a major issue all around the world, affecting people's lives everywhere. In a 2003 Global Poll covering 48 countries, corruption ranked third among the

⁵ *Corruption and the Smallholder: A Review of Current Literature and Research*, accessed through, <http://www.worldaginfo.org/files/Corruption%20and%20the%20Smallholder1.pdf>

⁶ *Corruption and its Discontents: Assessing the impact of Corruption on people living in poverty*, accessed through, <http://tilz.tearfund.org/webdocs/Tilz/Research/Corruption%20And%20Its%20Discontents%20-%20A%20Tearfund%20report.pdf>

most important development issues facing the world – close behind poverty reduction and education. A BBC poll in 2010, surveying 13,353 respondents across 26 countries including India, noted that people around the world view corruption as a major issue in their lives. Corruption is the number one most talked about global problem and is rated the second most serious problem after poverty.⁷ In 2011 another BBC poll surveying 11000 respondents across 23 countries came forward with the following data on the five most talked about issues in the world – corruption (24%), extreme poverty (20%), unemployment (18%), rising cost of food and energy (17%) and crime, violence and security (16%). Further, the top five issues faced by low GDP countries, according to this poll, were, corruption (40%), unemployment (28%), rising cost of food and energy (25%), extreme poverty (25%) and education (12%).

In a 2005 Transparency International Global Corruption Barometer survey covering 69 developed and developing countries, 75 percent of respondents said that corruption affects political life in their countries to a moderate or large extent; 65 percent said the same thing about the business sector and 58 percent said that corruption affects them personally.⁸ In a 2010 Transparency International Global Corruption Barometer survey covering 86 countries, almost six out of 10 respondents report that corruption levels in their country have increased over time. The biggest increase is perceived by respondents in North America and the European Union.⁹

Manifestations of Corruption

A. Corruption can occur in different forms, in different types of organizations, and at different levels within organizations. Due to these differences across several dimensions, the categories used to describe the types of corruption often overlap. Corrupt practices range from small amounts paid for frequent transactions (referred to as petty corruption), to bribes to escape taxes, regulations or to win relatively minor procurement contracts (referred to as administrative corruption), to massive and wholesale corruption. Corruption occurs within private corporations (referred to as corporate corruption) or more famously, in the public sector, including the political arena (referred to as political corruption). When corruption is prevalent

⁷ *Corruption Is World's Most Talked About Problem*, accessed through, http://www.globescan.com/news_archives/bbc_corruption/

⁸ *Curing the Cancer of Corruption* - siteresources.worldbank.org ..., accessed through, <http://siteresources.worldbank.org/EXTABOUTUS/Resources/Ch18.pdf>

⁹ *Global Corruption Barometer 2010 Report*, accessed through, http://www.transparency.org/policy_research/surveys_indices/gcb/2010/results

throughout all levels of society it is seen as 'systemic' and when it involves senior officials, ministers or heads of state serving the interests of a narrow group of business people, politicians or criminal elements, it is aptly called 'grand' corruption.

B. Corruption is multi-sectoral. It is both a governance and economic problem and is manifested in all development and service delivery sectors. Its occurrence is facilitated by the absence or insufficiency of financial controls, performance monitoring for personnel and programs, transparency and mechanisms of accountability. Its consequences manifest poor governance and economic distortion. Looking at corruption from a 'governance' lens leads the analyst to question if government institutions have the capacity and follow-through potential to deliver efficient, transparent and accountable services within the law? Key factors relate to adequacy of the legal and institutional framework, administrative complexity, capacity and professionalism of staff and internal control and oversight mechanisms. A second important aspect of the governance equation is the role of the public in advocating, monitoring and sanctioning. Key issues in this regard include access to information, freedom and capacity of civil society and the media and the effectiveness of elections as sanctioning mechanisms. Essentially, corruption can be viewed as a governance problem *within each* sector. Empirical analyses (such as social auditing) shows that improvements in governance can have positive impacts on reducing corruption abuses as can programs that directly attack corrupt practices. Looking at corruption through an 'economic' lens puts the focus primarily on the extent of government intervention in the economy and its consequences on corrupt activities. Key factors from this perspective include overregulation, government control or rationing of resources, subsidies, procurement, revenue administration and public expenditures among others.¹⁰

C. Corruption affects multiple levels of government from the central to the regional to the local levels. Preventive and control programs at the central level may have only limited reach and effectiveness down to the sub-national levels of government. To be effective, initiatives are typically required from the top-down and from the bottom-up simultaneously. A strategic anticorruption assessment needs to access information at all levels to understand differences in the nature of the problem and in programming requirements. This is accomplished through probing diagnostic questions within key sectors and

¹⁰ *Anticorruption Assessment Handbook: Final Report*, accessed through, www.usaid.gov/.../anticorruption_handbook/Handbook_2009.pdf

functions and special efforts to examine the phenomenon and impact of corruption at all levels.

D. Corruption impacts multiple levels of society. Administrative corruption is an everyday, low-level abuse of power that citizens encounter while getting things done that should have been freely given or part of the normal public service delivery mechanism. Grand corruption on the other hand involves higher level officials and larger sums of money for example, kickbacks to win large public procurements, embezzlement of public funds, irregularities in political party and campaign financing and political patronage.

E. Corruption is also influenced by situational factors. Actors such as the government, civil society and the media are important factors. Political will in favour of reform or against reform is another factor influencing corruption. The strength of a country's institutional capacity is another factor which influences corruption. The presence of certain cultural and traditional practices (such as social exchanges) in a country may also influence corruption. Social exchanges are often customary and traditional reflecting the values of a group. These exchanges take on new dimensions when their construct is overlaid on government interaction with private citizens. However, it is possible to reverse these cultural and traditional tendencies through reform and by putting in place effective institutions and an effective legal framework.

Corruption and Democracy

A strong consensus today contends that corruption corrodes the meanings and mechanisms of democracy itself. Corruption undermines democracy by subverting the formal processes. It erodes the institutional capacity of the government as procedures are bypassed, disregarded and even flouted, as resources are siphoned off and as 'doubtful' officials are rewarded with promotions and elevations without regard for performance. Corruption breaks the link between collective decision making and peoples' power to influence collective decisions. Corruption reduces the effective domain of public action and thus the reach of democracy by changing public agencies of collective action to instruments of private benefit. Corruption creates inefficiencies in delivery of public services not only in the form of a tax on public expenditures but by shifting public activities toward those sectors in which it is possible for those engaged in corrupt exchanges to benefit. When public officials put prices on routine government transactions then the rights and

protections citizens should enjoy become favours to be repaid in kind.

Corruption undermines the culture of democracy. When people lose confidence that public decisions are taken for reasons that are publicly available and justifiable, they often become cynical about public speech and deliberation. People come to expect duplicity in public speech and the expectation tarnishes all public officials whether or not they are all corrupt. When people are mistrustful of government they are also cynical about their own capacities to act on public goods and purposes and will prefer to attend to narrow domains of self-interest they can control. Corruption in this way diminishes the horizons of collective actions and in so doing shrinks the domain of democracy.¹¹ Corruption not only damages the efficiency and effectiveness of public goods and services but also weakens citizens' confidence in public institutions, thereby compromising the quality of democracy. When actors with privileged access to public resources are favoured, the basic tenets of democracy (such as equality, transparency, justice, public good) are undermined.

Warren notes that political corruption is a form of 'duplicitous exclusion'. Democracy is built on the principle of equality which means that *every individual potentially affected by a collective decision should have an opportunity to affect the decision proportional to his or her stake in the outcome*.¹² This is the inclusion principle which is a basic norm of democracies. Corruption means a way of exclusion because citizens are disempowered from the possibility to participate in decisions. Corruption evolves in secrecy, this means that the necessary openness and transparency to the proper function of the inclusion principle does not exist; not that it is denied but it is perverted and corrupted. Thus, corruption results in severe damage to the democratic process.

Corruption in India

India did not invent corruption but outperforms in it. In its September 2007 study on Corruption Perception Index, Transparency International placed India 72nd as among the most corrupt of the 180 countries it had surveyed. Four years later, in its December 2011 study on Corruption Perception Index, Transparency International placed India 95th as among the most corrupt of the 182 countries it had surveyed. The report observes *although India boasts a larger*

¹¹ *Political Corruption as Duplicitous Exclusion* - accessed through, <http://www.apsanet.org/imgtest/psoct06warren.pdf>

¹² *Political Corruption as Duplicitous Exclusion*.

*democratic space for public activism in countering corruption and opacity, little commitment has been delivered on the government's part for substantive eradication. The scores reflect these inadequacies, and call on a comprehensive approach for counter measures.*¹³ There has been a decline in India's showing over the years primarily because the incidences of high profile corruption cases in India have also escalated (Commonwealth Games scam, 2G Spectrum scam, Adarsh Housing scam, multi crore LIC housing scam, Mining scam in Karnataka amongst others).

Another report¹⁴ published by Transparency International in 2011 highlights the invasiveness of corruption in India and in its key institutions. This report is a survey on 7500 people who were interviewed in six South Asian countries (Bangladesh, India, Pakistan, Maldives, Nepal and Sri Lanka). In India 1000 people were interviewed and 54% of the respondents reported having paid a bribe in the last twelve months. 48.8% of the respondents believed that the level of corruption in India has increased a lot. According to these respondents political parties were seen as the most corrupt institution in India while the police were ranked the second most corrupt institution in India. 64% of all the respondents who had come in contact with the police reported that they paid a bribe to this institution. When asked about the government's effectiveness/ineffectiveness in fighting corruption, 30.7% believed that government action is neither effective nor ineffective, 23.3% believed that government action is somewhat ineffective while 19.6% believed that government action is very ineffective. On being asked whether ordinary people make a difference in the fight against corruption 44.1% of the respondents agreed while 22% strongly agreed.

Global Financial Integrity published a report titled *The Drivers and Dynamics of Illicit Financial Flows from India: 1948-2008*.¹⁵ The report states that during this period, India lost a total of US\$213 billion dollars due to illicit financial flows, the present value of which is at least US\$462 billion. These illicit financial flows were generally the product of corruption, bribery and kickbacks, criminal activities and

¹³ *Corruption Perception Index: Transparency International*, accessed through, <http://cpi.transparency.org/cpi2011/>

¹⁴ *Daily Lives and Corruption: Public Opinion in South Asia*, accessed through, http://www.transparency.org/policy_research/surveys_indices/asia_pacific

¹⁵ *The Drivers and Dynamics of Illicit Financial Flows from India: 1948-2008*, accessed through, http://www.gfintegrity.org/storage/gfip/documents/reports/india/gfi_india.pdf

efforts to shelter wealth from the country's tax authorities. The report further observes that the total value of illicit assets held abroad represents about 72% of the size of India's underground economy which has been estimated at 50% of India's GDP (or about US\$640 billion at end 2008). Interestingly, the outflow of illicit funds has actually gone up in the post-liberalization period. The finding that only 27.8 percent of India's illicit assets are held domestically support arguments that the desire to amass wealth illegally without attracting government attention is one of the primary motivations behind the cross-border transfer of illicit capital. Tax evasion is a major component of the underground economy, which in turn is a primary driver of India's illicit outflows. The report suggests the need to expand India's tax base and to improve tax collection to curtail illicit flows.

The above mentioned citations point to the enormity of the malaise that afflicts India's democracy. Corruption in India today pervades all levels, all sections as well as all services. The history of corruption in India reveals that among the persons accused of corruption were former Prime Ministers, former and present Chief Ministers and even former Governors. The list of other high profile public officials runs endless. India's experience with corruption shows that laws, regulations, procedures however sound and excellent cannot by themselves ensure effective and transparent administration if the political and administrative leadership entrusted with their enforcement fails to do so and abuses its powers for personal gain. Another contributory factor is that cases relating to corruption are handled in a very casual manner, the trial and conviction processes are slow and dilatory and conviction rates are very low. Such procedures would only aggravate the problem of corruption. The socio-cultural milieu in which corruption thrives in India has also been responsible for its aggravation. Various forms of corruption have come to be accepted in India and the public official reflects the spirit and ethos of his society.

Conclusion

If democratic countries do not grasp the nettle of corruption, they expose themselves to severe challenges more alarming and complex. Recent developments in the Arab Spring region have clearly demonstrated that unexpected events lit the torch that set discontentment ablaze.¹⁶ Public disaffection with endemic corruption

¹⁶ *Slap to a Man's Pride set off Tumult in Tunisia*, accessed through, <http://www.nytimes.com/2011/01/22/world/africa/22sidi.html?pagewanted=all>

will definitely reach its limits of tolerance. The growing tide of public indignation must force India's administrative machinery and institutions to relook at the entire gamut of this malaise. Tinkering with current law on corruption, introducing new legislation and improving the quality of investigation by bureaus and agencies will still not bring in the expected changes. What is needed is a radical change of the whole process of democratic governance. Comprehensive action is needed to increase integrity and structural equality throughout the country. To do this governments at the centre, state and local levels, the media and civil society must work together to counter corruption effectively. Concerted efforts must be made to raise new generations of patriots who will be averse to every kind of corruption that presently afflicts India.