

Corruption: Another attempt at answers

BLOOMBERG

Kaushik Dutta

CORRUPTION IS a complex subject with many facets, nuances and a constantly shifting landscape. In some countries, citizens accept corruption as a day-to-day reality with stoic silence, while in others, they are determined to fight against it. Some governments merely create an illusion about combating corruption, while others attempt to root it out with various tools at their disposal. In some instances, business is a cause of corruption; in others, it is simply a victim of a vicious environment where there is a need to bribe just to survive.

Corruption thrives in a world of opacity caused by a maze of rules, discretion of governmental authority and the lack of accountability or consequences for actions by an official. A common citizen often gets caught in the vicious circle of information asymmetry as he is often unaware of his rights and entitlements. When information asymmetry persists among the general public, it results in a low level of awareness and demands for bribes are easily fulfilled.

In the last three months, this is the third book on corruption that I have been asked to review and that, in many ways, manifests the current focus of Indian civil society on the subject. *Fighting Corruption: A Way Forward*, edited by Samuel Paul, is a notable contribution to the debate on the subject. The book has eight essays written by eight authors ranging from retired IIM professors and other academics to retired bureaucrats, judges and economists. Paul, as an editor, skillfully introduces and concludes the discussions.

The book has essays, which deal with the key aspects of corruption in the use and area of public money and its interfaces: Electoral fund-



Protesters shout slogans against corruption in New Delhi. The book says corruption in India pays as the benefits of being corrupt in India grossly outweigh its associated costs

ing reforms, delivery of public services, lokpal, agriculture credit, public services, e-governance, judicial reforms, etc. These topics have been a concern for all those who have worked and researched the subject of corruption.

The Organisation for Economic Co-operation and Development (OECD), World Bank, UN bodies and many academic institutions have published landmark thought papers on the subject. The work on root cause analysis of corruption is mature and so are the expected interventions by government, judiciary and civil societies for effective solutions. These normally focus on the issues of asymmetry of information, opaque systems, discretionary powers of officials and absence of any effective oversight system that takes preventive or punitive measures.

Does this book bring any new



FIGHTING CORRUPTION: THE WAY FORWARD

Edited by Samuel Paul
Academic Foundation
₹995
Pp 298

points of view from that which already exists?

It brings perspectives of very experienced experts and some of the essays stand out as thought-provoking and extremely insightful. Bibek Debroy makes a very strong argument based on quantitative and qualitative reasoning that corruption in India pays, as the benefits of being corrupt in India grossly outweigh its associated costs. He proposes that addressing issues of corruption in delivery of public

services through strengthening demand and supply side of delivery systems, including procurement, could precede the reforms associated with big-ticket items like judicial reforms, political funding, etc. This would address the key issue of corruption in India as it affects the day-to-day life of poorer citizens.

A Vaidyanathan, in an outstanding essay, deals with the subject of corruption in the rural sector, where billions of rupees distributed as priority sector loans by both PSU and cooperative banks get transferred as private gains of those with political patronage by managing banks or farmer bodies. He advocates strongly for greater decentralisation of the disbursement process with higher oversight by regulators independent of the executive and political forces.

The role of technology in curbing corruption has been pivotal and Subash Bhatnagar details how e-gover-

nance brings down the costs for citizens, while improving the overall transparency and quality of public services. No book on corruption in India can be complete without a discussion on judicial reforms and accountability. Justice Bharuka comments on the role e-governance plays in bringing in transparency in judicial processes. He also very effectively discusses the issues of corruption in judiciary and the need for reforms.

There are other essays by Balasubramaniam on PDS and its reforms as a public service delivery, Madhav Godbole on the history of India in tackling corruption, Sridharan on reforming political funding and A Ranganathan's discussion on various cases of grand corruption in India, to name a few, that provide insights to the relevant topics.

However, one area of corruption is not discussed in the book even in the discussion about the telecom scandals. The role of private sector in corruption, which many see as the supply side of the equation, is deeply and inextricably embedded in the process. Most books deal with one side of the issue: corruption by officials and politicians, and need for reforms in the government system. We expect that in future we will see more discussions on the issue of the private sectors' role in fraud and corruption, the other side that completes the equation.

The book enlightens and has sections which are extremely insightful and incisive. It sets a tone and sets up more topics for discussion by other experts and researchers. In summary, this book is an important contribution in our quest to find effective solutions to the problem of corruption in India.

Kaushik Dutta is a director of Thought Arbitrage Research Institute, a not-for-profit company engaged in research of corporate governance, sustainability and public policies