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Overview of Corruption and Anti-Corruption Efforts in India

Query:

What is the latest on corruption and anti-corruption in India? Are there any recent studies?

Purpose:

I am going to India to participate in inspection of our Embassy in Delhi, including development cooperation.

Content:

Part 1: Overview of Corruption in India
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Summary:

The fight against corruption has been declared a high priority by Prime Minister ManMohan Singh. However, corruption remains widespread in the country and there have been many instances of political and bureaucratic corruption, public funds embezzlement, fraudulent procurement practices, and judicial corruption. High ranking officials have also been involved in major corruption scandals. The sectors most affected by corruption include public procurement, tax and customs administration, infrastructure, public utilities, and the police. The latter has been identified as one of the most corrupt institutions by various surveys. The Government has put in place a well developed legal and institutional framework, with institutions including the Central Bureau of Investigation, the Office of the Comptroller and the Auditor General, and the Central Vigilance Commission. The Supreme Court, in particular, has taken a firm stance against corruption in recent years and made several important rulings. Another achievement in the fight against corruption has been the enactment of the Right to Information (RTI) Act in 2005, which grants citizens access to government information and a mechanism to control public spending. In spite of progress, however, law enforcement remains weak and reforms have a long way to go.

Part 1: Overview of Corruption in India

Since 1991, economic liberalisation in India has reduced red tape and bureaucracy, supported the transition towards a market economy and transformed the economy, with record growth rates of 9.2% in 2007 and 9.6% in 2006. However, though the Indian

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Date: 21 January 2009

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economy has become the 6th largest in the world, its growth has been uneven across social and economic groups, with sections of society experiencing some of the highest levels of poverty in the world. Endemic corruption contributes to this uneven distribution of wealth. The cost of corruption, perceptible in public sector inefficiencies and inadequate infrastructure, is undermining efforts to reduce poverty and promote sustainable growth.

Extent of Corruption

Major Corruption Scandals

Major scandals involving high level public officials have shaken the Indian public service in recent years, with politicians and public servants regularly caught accepting bribes or mismanaging public resources. This suggests corruption has become a pervasive aspect of Indian politics and bureaucracy. A report by Global Integrity provides an overview of the major corruption scandals that have hit the headlines over the past years, including:

September 2000: Former President Rao was convicted of criminal conspiracy and corruption in the 1993 vote-buying scandal and became the first Indian Prime Minister to be convicted in a criminal case. He was acquitted on appeal, however, in March 2002.

March 2001: Following the release by an Indian news website of a videotape showing 31 politicians, high level officials, bureaucrats and army officials taking bribes, the Defence Minister and leaders of the ruling BJP party were forced to resign. Four defence ministry officials were also suspended.

September 2005: Railway Minister Laloo Prasad Yadav was charged with misappropriating state funds in the long running "fodder scam". He and Bihar Chief Minister were charged with embezzling over US$ 40 million in state funds intended for the purchase of animal fodder. In total, 170 persons were charged in connection with this scandal.

In **January 2006**: A reporter in Assam writing articles accusing local forestry service officials of having links to timber smuggling was murdered.

In **March 2006**: The BJP alleged corruption in a military contract to buy six submarines from two French companies, claiming that the government overpaid by

approximately US$ 113 million and used the excess to pay middle men that helped secure the deal.

In **January 2009**: Satyam Computer Services Ltd was barred by the World Bank from bidding for contracts for eight years and top officials were arrested after a major financial fraud over several years was disclosed.

Corruption Surveys and Indices

Though India is credited with having made considerable progress in terms of economic reform over the past few years, corruption is perceived to be widespread and entrenched at all levels of the political and administrative system. India ranks 85 from 180 countries surveyed in Transparency International's **2008 Corruption Perception Index (CPI)**, with a score of 3.4. Since the first iterations of the index, India has scored between 2.7 and 3.5, indicating that - despite some progress - corruption continues to be perceived as rampant and endemic by the various CPI sources. (http://www.transparency.org/policy_research/surveys_indices/cpi).

Similarly, the **2007 World Bank Governance Indicators** suggest little change over the years. The country performs consistently above average on indicators of voice and accountability, government effectiveness and the rule of law, but poorly in terms of regulatory quality and control of corruption[1]. Its rating for political stability is particularly weak (http://info.worldbank.org/governance/wgi/index.asp).

Freedom House 2008 comes to similar conclusions, noting that government effectiveness and accountability continue to be undermined by the close connections between crime and politics, weak government institutions and widespread corruption. (http://www.freedomhouse.org/template.cfm?page=363&year=2008&country=7411).

According to the **Global Corruption Barometer 2007**, petty corruption is common practice in India with 25% of respondents admitting paying bribes to obtain basic

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[1] From 1998 to 2007, India's control of corruption scores range from between 48.1 to 46. 6.

services. Citizens do not expect the situation to change in the short term and expressed scepticism with regard to government political will and/or capacity to curb corruption. 90% of respondents believed that corruption would increase in the next three years while 68% perceived government efforts against corruption as ineffective.
(http://www.transparency.org/policy_research/surveys_indices/gcb/2007).

A corruption survey published in June 2008 by **Transparency International-India and the Centre for Media Studies India** confirms these findings. One-third of Below Poverty Line (BPL) households across the 31 states covered by the survey paid bribes to access one or more of 11 public services. The percentage of respondents paying bribes to access services was especially high for the police, land registration and housing. These findings echo the results of a 2005 corruption survey conducted by Transparency International India[2] which found that more than 50% of the respondents had firsthand experience of paying bribes or peddling influence to get a job done in a public office.
(http://www.transparencyindia.org/publication.htm).

India is also perceived to export corruption outside its borders. The country comes at the bottom of **Transparency International's 2008 Bribe Payer Index**[3], ranking 19 from 22 countries with a score of 6.8. This indicates that Indian firms are perceived by business people as very likely to engage in bribery when doing business abroad.
(http://www.transparency.org/policy_research/surveys_indices/bpi).

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[2] This survey sampled 14,405 respondents from 150 cities and 360 villages.

[3] The 2008 BPI ranks 22 of the world's wealthiest and economically dominant countries by the likelihood of their firms to bribe abroad.

Forms of Corruption

Most reports and studies emphasise that the country continues to face major governance challenges. There is a lack of transparency in governance rules, procedures are complicated and the bureaucracy enjoys broad discretionary power. Nepotism is embedded in the civil service, journalists are harassed for reporting on corruption and recent years have seen an increase in off-the-books campaign finance arrangements.
(http://report.globalintegrity.org/India/2007).

The country is further characterised by rigid bureaucratic structures, an exclusivist process of decision-making, overly centralised government, poorly-paid civil servants and the absence of effective internal control mechanisms. Political corruption and corruption scandals involving high ranking officials and ministers periodically hit the headlines, undermining the legitimacy of democratic processes and citizens' trust in public institutions.

A recent analysis of reports of bribery demands in India conducted by **Trace International** was published in January 2009 and provides an overview of the general patterns of corruption in the country. 96 anonymous reports about bribery demands were filed between July 2007 and October 2008 on the organisation's Business Registry for International Bribery and extortion (BRIBEline). This is a secure, multilingual online tool for reporting bribe demands worldwide. 91% of the reported bribe demands were requested by a government official, including 33% from national level officials, 30% from the police, and 16% from state or provincial officials. 77% of the reports described bribe demands made for avoiding harm rather than for gaining an advantage. Of those, more than 51% were for the timely delivery of services to which the individual was already entitled, such as clearing customs or getting a telephone connection. Only 12% of the reported bribe demands were for gaining an advantage.
(https://secure.traceinternational.org/news/pdf/IndiaReportPressKit011009.pdf).

Bureaucratic corruption

These findings confirm the prevalence of the bureaucratic and administrative forms of corruption that take place at the implementation end of politics, where the public meets public officials. Bureaucratic corruption pervades the Indian administrative system with widespread practices of bribery, nepotism, and

misuse of official positions and resources. The **Bertelsmann Foundation 2008** report states that India is characterised by a deeply rooted patronage system and pervasive corruption at all levels of the polity and administration. (http://www.bertelsmann-transformation-index.de/125.0.html?&L=1).

The **2006 World Bank Enterprise Survey** also confirms the prevalence of bureaucratic and administrative corruption in the country. Red tape and wide ranging administrative discretion serve as a pretext for extortion and almost 48% of the firms surveyed expected to pay informal payments to public officials to get things done. Close to 26% of the respondents identified corruption as a major constraint for doing business in the country. (http://www.enterprisesurveys.org/ExploreEconomies/?economyid=89&year=2006). Companies also ranked corruption as the fourth most problematic factor for doing business in India in the **World Economic Forum Global Competitiveness Report – India 2007-2008**, indicating that corruption seriously compromises private sector development in the country. (http://gcr07.weforum.org/).

Political Corruption

The public trust in democratic processes in India is seriously undermined by opaque financing of electoral processes, widespread bribery and other forms of corrupt practices. The 2007 Global Corruption Barometer reveals that political parties are perceived by Indian citizens as one of the sectors most affected by corruption in the country, with a score of 4.6 on a 5 point scale. **Freedom House 2008** reports that the electoral system relies on black money obtained by dubious means, including tax evasion. Although politicians are regularly involved in major corruption scandals, investigations are rare and very few politicians and civil servants have been convicted.

Circumstantial evidence confirms that practices such as buying votes with bribes or promises, conflicts of interest, or state capture are common in India. In December 2005, 11 members of parliaments were accused of accepting cash for raising specific questions in Lok Sabha sessions and subsequently forced to resign. More recently, a Parliamentary Enquiry Committee was established to look into the alleged cash-for-votes scam during a trust vote that took place in July 2008. Three parliamentarians displayed wads of currency notes alleging that huge sums were offered to

them to save the Manmohan Singh government. The report presented in December 2008 found the evidence unconvincing and recommended further investigations on the role played by the three parliamentarians. (http://www.rediff.com/news/2008/dec/16upavote-cash-for-vote-scam-report-referred-to-home-ministry.htm).

The entry of criminals into politics - despite laws requiring public disclosure of candidates' assets, criminal records and educational backgrounds - is another alarming facet of political corruption in India. According to The Economist, more than a fifth of federal parliament members in 2008 faced criminal charges. Of the 522 members of India's current parliament, 120 are facing criminal charges; around 40 of these are accused of serious crimes, including murder and rape. (http://www.economist.com/surveys/displaystory.cfm?story_id=12749771).

Vulnerable Sectors and Institutions

Public procurement

Public procurement is especially vulnerable to corruption in most developing countries. In India, there is a reasonably good framework of rules and procedures for public procurement that requires open tenders available to all qualified firms without discrimination, the use of non-discriminatory tender documents, public bid openings and selection of the most advantageous tenders, taking all factors into consideration. These regulations are apparently poorly enforced, however, as public contracting continues to be marred by major corruption scandals involving high level politicians. In the 2006 World Enterprise survey, close to 24% of respondent firms confirmed they were expected to make a gift or payment to secure a government contract.

In addition, companies face different laws in different states, which complicate their operation throughout the country. According to the World Bank Country Procurement Assessment Report 2003, the Indian public procurement system is generally affected by a lack of consistency as well as low credibility and public confidence in the system. Corruption is perceived to be worse at the state level than at the federal level, due to the lack of qualified staff and widespread political interference in state administration. The report further notes that the average bribe to obtain a public contract is estimated at 15% of the contract's value. (http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/I

B/2004/04/02/000012009_20040402111746/Rendered/
PDF/278590IN.pdf).

Licences and public utilities

52.2% of the firms surveyed by the above-mentioned 2006 World Bank Enterprise survey reported being expected to give gifts to secure an operating licence. Corruption also affects access to public utilities such as water, phone and electricity. Compared to the 2006 edition of the Global Corruption Barometer, most utilities and departments have fared worse in terms of public perception of corruption in 2007. Procedures surrounding access to water and electricity are complicated and cumbersome and firms may be tempted to make 'facilitation payments' to speed up the process. Close to 40% of the World Bank Enterprise survey reported paying bribes to get an electrical connection and 27% to get a water connection. According to the Global Corruption Report 2008, citizens believe that corruption is on the rise in these sectors.

Tax and customs administration

52.3% of the firms covered by the World Bank Enterprise survey reported being expected to give gifts in meetings with tax officials. In this sector, rules and procedures are extremely cumbersome; giving tax officials wide discretionary powers to interpret the rules. Some are suspected of deliberately stalling administrative procedures to induce facilitation payments. Bribes may be paid for an under-assessment of incomes or to obtain penalty reductions or tax refunds. According to the 2005 TI India corruption survey, 20% of the respondents admitted having paid bribes to the tax department, while 60% perceived the department to be corrupt.

The police force

The 2007 Global Corruption Barometer identifies the police force as one of the institutions most affected by corruption, with a score of 4.5 on a 5 point scale. The 2005 TI-India corruption survey also ranks the police as the most corrupt public service in India - with 80% of citizens believing that corruption exists in the police force and 77% believing it is on the rise. The 2007 TI-India/CMS study indicates that 48% of below poverty line households who interacted with the police claimed to have paid a bribe while 17% used a contact to access police services. Many of them claimed that procedural delays were part of a deliberate strategy to

compel citizens to pay bribes. About half of them paid a bribe for ensuring that their complaint could be registered.

Examples of corrupt practices among the police have also been identified in a 2006 Marketing and Development Research Associates/Transparency India report on corruption in trucking operations. The study reveals that truck drivers must pay bribes at every stage of their operations, mostly to police forces, to obtain permits, for traffic violations or toll payments. When transporting goods across the country, stoppages by authorities on the pretext of checking documents are frequent. According to truck drivers, 60% of the checkpoints and forced stoppages on roads are for extorting money. (http://www.transparencyindia.org/publication.htm).

Police recruitment is also compromised by practices of nepotism, bribery and political interference. Until the apex court[4] granted the Indian Police Service (IPS) autonomy from political control in 2006, the Minister had powers of transfers and promotion over police chiefs' careers. In 2007, in Uttar-Pradesh, an inquiry into fraudulent practices in police recruitment led to the dismissal of 10,000 police officers over alleged irregularities in their recruitment processes (http://news.bbc.co.uk/1/hi/world/south_asia/7003978.stm).

As the police - along with the courts - are the public institutions most directly involved in sanctioning and punishing corrupt practices, police corruption seriously undermines the government's anti-corruption efforts.

Judicial corruption

The Indian court system consists of a supreme court, high courts at state level and subordinate courts at district and local level. According to the Global Corruption Report 2007, the upper judiciary is considered relatively clean, with open court proceedings and free access to prosecution documents, authenticated orders, etc. In the lower justice institutions, corruption is reportedly rampant and systemic. (Please see:

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[4] The term is mostly found in texts originating in India, where the Apex Court stands for the Indian Supreme Court.

http://www.transparency.org/publications/gcr/download_gcr/download_gcr_2007). The Global Corruption Barometer 2007 gives the judiciary a score of 3.8 on a 5 point scale, while 80% of the 2005 TI India CMS study's respondents perceive the judiciary as corrupt. 47% claim to have paid bribes to lawyers or court officials.

Court procedures are very slow and complicated, and the court system is severely backlogged and understaffed. This results in delays in the processing of cases, and a loss of confidence in the law and in the justice system. (Freedom House 2008 estimates that there are currently 30 million civil and criminal cases pending). There is also a high level of discretion in the processing of paperwork during trials and multiple points where court officials can misuse their power with impunity. In such contexts, people are tempted to resort to bribes, favours, hospitality or gifts not only to obtain a favourable decision but to move the case through the system and speed up the court proceedings.

The independence of the judiciary is guaranteed by the Constitution and India is ranked 26th of 131 countries on indicators of judicial independence in the Global Competitiveness Report 2007-2008. According to the Global Corruption Report 2007, however, there have been recent cases of political interference in judicial decisions involving powerful individuals. In spite of the various legal provisions in place, the appointment of judges is not always free from political interference. The Global Integrity Report 2007 also rates judicial accountability as weak. (http://report.globalintegrity.org/India/2007/scorecard/4).

The weakness of the judiciary, the lack of political independence of the police and poor law enforcement contribute to a culture of impunity where few politicians or civil servants are indicted or convicted for corruption.

Regional Patterns

India has a decentralised federal system of government in which state governments possess broad regulatory power. Although corruption is found to be pervasive across all states and public services, several reports indicate important regional variations in the level and impact of corruption. A World Bank and IFC report from 2004 notes that corruption and excessive regulations are cited as major obstacles to business across all India, but that these figures rise respectively to 62% and 64% in the states of Gujarat and Karnataka.

(http://www.business-anti-corruption.com/normal.asp?pageid=205).

Both the 2005 and 2007 TI-India corruption studies also point to regional variations in corruption patterns. For example, Himachal Pradesh, Andhra Pradesh and Maharashtra are perceived to experience moderate levels of corruption while states such as Bihar, Jammu and Kashmir and Madhya Pradesh are affected by alarming levels of corruption. In 2007, the level of corruption was found to be moderate in all services studied in Himachal Pradesh, whereas in Madhya Pradesh and Assam, the level of corruption in all services was high, very high or alarming.

There are also regional differences in the sectors and institutions most affected by corruption at the state level, as illustrated by the 2005 study:

- In Gujarat, the judiciary, the police and land administration are ranked as the most corrupt services in the state.
- In Maharashtra, municipal services are perceived as most corrupt.
- In Punjab, the police, the judiciary and municipal services are perceived to be most affected by corruption.
- In Bihar, all public services are ranked among the most corrupt in India;
- According to Freedom House 2008, rebel groups operate extensive extortion networks in the North East of the country, compounding the impact of corruption in the various affected states.

Part 2: Anti-Corruption Efforts in India

India's performance on the **2007 Global Integrity Index** indicates a huge gap between anti-corruption policies and practice. The legal and institutional framework to curb corruption is well developed and the country receives high scores in terms of anti-corruption law and institutions. An analysis was conducted by Transparency India in 2007 to identify possible gaps between the UN Convention against Corruption (UNCAC) and the legal and institutional framework in place in the country. The report confirmed the good quality of the legal framework against corruption in India, with existing legislation in line with most of the requirements of the UNCAC. The largest – and almost only - substantial gap was identified by the report in the area of whistleblower protection. (http://www.transparencyindia.org/publication/U_N_Con

vention_against_corruption.pdf). Law enforcement, however, remains weak, suggesting a lack of political will to effectively address corruption challenges in the country.

The Legal Framework

The **1988 Prevention of Corruption Act** criminalises corruption in the public and private sectors in the form of active and passive bribery, extortion, bribery of foreign officials, abuse of office and money laundering. There is also a **2002 Prevention of Money Laundering Act** (amended in 2005). At the local level, state governments have state laws that address specific aspects of corruption.

The **2005 Right to Information (RTI) Act** represents one of the country's most critical achievements in the fight against corruption in recent years. Under the provisions of the Act, any citizen may request information from a "public authority" which is required to reply expeditiously or within 30 days. The Act also requires every public authority to computerise their records for wide dissemination and to proactively publish certain categories of information for easy citizen access. This act provides citizens with a mechanism to control public spending. In the first year of National RTI, 42,876 (not yet official) applications for information were filed to Central (i.e. Federal) public authorities. According to the Central Information Commission, RTI applications have annually increased by 8 to 10 times annually. Less than 5% of the million applications for information have been denied information under various exemption categories. (http://en.wikipedia.org/wiki/Right_to_Information_Act).

India does not have a law to protect whistleblowers. However, following the murder in 2003 of Sri Satyendra Dubey, who exposed corruption in the National Highway Authority, the Government faced increased pressure to ensure whistleblower protection and issued a resolution known as the **Public Interest Disclosure Resolution** (PIDR). This resolution authorised the Central Vigilance Commission (CVC) to be the 'Designated Agency' to receive written complaints for disclosure on any allegation of corruption or misuse of office and to recommend appropriate action. The CVC can take action against anyone who leaks the names of whistleblowers and witnesses and may request police assistance to investigate complaints. The Central Bureau of Investigation also has an online complaints mechanism which guarantees the protection of whistleblowers reporting corruption cases. The Global Integrity Report 2007 estimates that the resolution has logged over 1300 complaints in the three years of its existence. However, the CVC reported that over 30 whistleblowers have been harassed in spite of the confidentiality of PIDR complaints.

The Global Integrity Report further mentions that important pieces of anti-corruption legislation have been pending for years, including the Corrupt Public Servants Bill and the Lok Pal Bill, which is supposed to address corruption in high offices, including the office of the Prime Minister. The Judge Inquiry Bill – which was designed to introduce an inquiry mechanism for allegations and complaints against members of the judiciary - and the Election Commission's recommendation to debar candidates with a criminal background from parliamentary or State Assembly elections, have been held up for years.

In terms of international norms, India endorsed the **ADB-OECD Anti-Corruption Action Plan** in 2001, and has signed but not yet ratified the **UN Convention against Corruption** (UNCAC) and the **UN Convention against Transnational Organised Crime.**

The Institutional Framework

There are various bodies in place for implementing anti-corruption policies and raising awareness on corruption issues. At the federal level, key institutions include the Supreme Court, the Central Vigilance Commission (CVC), the Central Bureau of Investigation (CBI), the Office of the Controller & Auditor General (C&AG), and the Chief Information Commission (CIC). At the Sate level, local anti-corruption bureaux have been set up, such as the Anti-corruption Bureau of Maharashtra. (Please see: http://www.business-anti-corruption.com/normal.asp?pageid=205).

The **Supreme Court** has taken a stronger stance against corruption in recent years, as confirmed by the Bertelsmann Foundation Report 2008. It has challenged the powers of states in several instances. For example, in 2007 in Uttar Pradesh, it challenged the state governor's powers to pardon politically connected individuals based on arbitrary considerations. In other instances, judges have taken on a stronger role in responding to public interest litigation over official corruption and environmental issues. In December 2006, in a landmark ruling, the Supreme Court ruled that prosecutors do not need prior permission to begin proceedings against politicians

facing corruption charges[5]. It has also started addressing corruption in the police by mandating the establishment of a police commission to look into these matters and has ruled that corrupt officers can be prosecuted without government consent.

The **Central Vigilance Commission (CVC)** is an independent watchdog agency established in 1964. The CVC has the power to undertake inquiries or investigations of transactions involving certain categories of public servants. It also has supervisory powers over the Central Bureau of Investigations. The CVC can investigate complaints against high level public officials at the central level, in cases where they are suspected of having committed an offence under the Prevention of Corruption Act. The CVC is mandated to investigate public sector corruption at the federal level and not at the state level. The CVC has an online whistleblower complaint mechanism available on its website.

More recently, the CVC is working in collaboration with Transparency International India on introducing Integrity pacts in all state-owned public sector companies, industries and banks. In December 2007, the Commissioner issued a directive to this effect which has resulted in 32 public sector undertakings having adopted an integrity pact.

The **Central Bureau of Investigation (CBI)** is the prime investigating agency of the central government and is generally referred to as a credible and respected institution in the country. It is placed under the Ministry of Personnel, Pensions & Grievances and consists of three divisions: the Anti-Corruption Division, the Special Crimes Division and the Economic Offences Division. These units have the power to investigate cases of alleged corruption in all branches of the central government, but need the permission of state governments to investigate cases at the state level. The Supreme and High Courts can instruct the CBI to conduct investigations. Like the CVC, the CBI has a complaint mechanism on its website.

The **Office of the Comptroller and Auditor General (C & AG)** are praised by the 2007 Global Integrity

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[5] Until this ruling, assent was needed from the parliament speaker or a state governor to charge an MP or a legislator.

Report for being independent and well-staffed, with offices of Accountant Generals (AG) in all states. The C & AG has produced several reports on state departments such as railways, telecommunications, public sector enterprise, and tax administration. These reports have revealed many financial irregularities, suggesting a lack of monitoring of public expenses, poor targeting and corrupt practices in many branches of government. However, since the C & AG has no authority to ensure compliance with its recommendations, the government often fails to implement the reports' proposals.

The **Chief Information Commission (CIC)** was established in 2005 and came into operation in 2006. It has delivered decisions instructing government, courts, universities, police, and ministries on how to share information of public interest. State information commissions have also been opened, thus giving practical shape to the 2005 Right to Information (RTI) Act. The commissions have not been immune to criticism, however. Of India's 28 states, 26 have officially constituted information commissions to implement the RTI Act. Nine pioneered access to information laws before the RTI Act was passed. A state report card one year on complimented the quality of the law, but criticised the apathy and lack of awareness of many citizens. (http://www.transparency.org/publications/publications/global_corruption_report/gcr_2008).

E-Governance has considerably increased the speed of government services in a number of areas and reduced opportunities for bribery. A wide range of public services have been digitised such as obtaining licences, paying taxes and clearing goods. The National Portal of India was subsequently created and lists all the services that have been digitised.

The assessment of the legal and institutional anti-corruption framework points to a combination of robust institutions and lack of accountability in key areas, as emphasised in the 2007 Global Integrity Report. Some institutions such as the Supreme Court or the Election Commission have taken a stronger stance to combat malpractice in recent years, while key pieces of legislation such as the RTI Act promote greater bureaucratic transparency, granting citizens access to public records. Despite these emerging trends, however, the institutional anti-corruption framework generally suffers from a lack of coordination, and overlapping and conflicting mandates between institutions addressing corruption. Key institutions often

lack the staff and resources to fulfil their mandate adequately and struggle to protect themselves from political interference. Often, they primarily focus on investigating alleged cases of corruption at the expense of preventive activities. Influential politicians and senior officials are rarely convicted for corruption, eroding public confidence in the political will to effectively tackle corruption.

Civil Society Initiatives

India enjoys a vigorous and vibrant civil society and one of the freest media in South Asia. Both have played an important role in placing corruption on the national agenda.

Freedom of association is fully guaranteed and the formation of interested groups is legally straight forward, resulting in a proliferation of civil society organisations and movements. However, the 2008 Bertelsmann Foundation Report estimates that most civil society organisations are poorly institutionalised, politically fragmented and rather weak, while Global Integrity mentions cases of journalists being harassed for reporting corruption cases. Although freedom of the press is guaranteed by the constitution, the Official Secrets Act has been used by the government in the past to censor articles or prosecute journalists, although this practice seems to be on the decline. There have been recent instances where journalists have been harassed and newspapers offices attacked. In 2006, a journalist was killed after revealing corruption in the state's forestry services in a series of articles. India is ranked 120th out of 169 countries on Reporters without Borders' Worldwide Press Freedom Index 2007. (Please see: http://www.business-anti-corruption.com/normal.asp?pageid=205).

Despite these limitations, there is considerable potential for civil society impact in the fight against corruption. Civil society has played a critical role in advocating for access to information, which has resulted in the enactment of the RTI Act. This is demonstrated by example of **Mazdoor Kisan Shakti Sangathan (MKSS)** (http://www.mkssindia.org/). MKSS is a small organisation formed in the 1990s which seeks to insert citizens and their associations directly into oversight functions. It pioneered a method for the participatory audit of local spending in rural Rajasthan. To combat various forms of official corruption in public works programmes and fight for minimum wages, the organisation sought access to official expenditure documents that could be verified by MKSS workers.

Participatory audits of local government performance were conducted based on these expenditure records. The struggle to access official records led to a national campaign for legislation granting citizens a right to information that contributed to the adoption of the Right to Information Act in 2005. MKSS succeeded in getting the state government to change the local government act to include local residents directly in auditing official development schemes. (Please see: http://www.bbk.ac.uk/polsoc/staff/academic/rob-jenkins/hybrid-forms-of-accountability).

The RTI act has opened up critical opportunities for civil society involvement in the fight against corruption. It has allowed civil society organisations to participate in debates on public spending and help them uncover corrupt practices in many states and projects.

There are several organisations that are explicitly active in the anti-corruption arena, including:

Transparency International India is the Indian Chapter of Transparency International. TI India promotes transparent practices in government, raises awareness among citizens, and partners with civil society groups working towards similar goals. It manages various projects in different areas, on different fronts, working in partnership with other NGOs to promote good governance, raise awareness about the RIA Act, and promoting the adoption of citizens' charters in all public institutions. It also conducts anti-corruption research and social audits. TI India advocates with like-minded NGOs for the ratification of UNCAC (http://www.transparencyindia.org/).

The **Centre for Media Studies (CMS)** is a non-profit, multi-disciplinary development research agency which has undertaken corruption tracking surveys since 2000. Its transparency Studies Unit publishes a quarterly magazine that compiles research on selected issues relevant for public accountability and transparency. It has published in collaboration with TI India the 2005 and 2007 India Corruption Studies. (http://www.cmsindia.org/cms/).

Parivartan was established in 2000 as an attempt to expose corruption within the Income Tax Department in New Delhi. The movement now focuses on using the RIA Act to promote transparency and accountability in public services.

Part 3: Further Reading and Resources on India

REPORTS

Government of India

Reports of the Comptroller and Auditor General CAG) of India

Among other information, the CAG website publishes the latest audit reports of public sector institutions as well as disclosures under the right to Information Act.
http://cag.gov.in/html/reports/PA2007.htm

The 43rd Central Vigilance Commission Report (2006)

This latest published CVC annual report provides an overview of its operations, including data on numbers of complaints handled, nature of cases, public institutions involved, and penalties applied.
http://www.cvc.nic.in/ar2006.pdf

Transparency International

TI India-CMS 2007 Corruption Studies (2008)

This corruption study covers 31 states and union territories and is focused on poor and rural areas. It includes below poverty line peoples in both rural areas and urban slums. http://www.transparencyindia.org/

TI India – MDRA Study on Corruption in Trucking Operations (2006)

This report is based on a study to assess the nature and extent of corruption in trucking operations, using both quantitative and qualitative research methods. The report found that, for every kilometre covered by commercial trucks, an average Re. 0.70 per km is paid out in bribes. http://www.transparencyindia.org/

UNCAC Gap Analysis

This gap analysis was conducted by TI India in 2007 to identify the legal and institutional gaps existing between the convention's requirements and India's legal and institutional framework.
http://www.transparencyindia.org/

Global Corruption Report 2008 and 2007

The country report section of TI's Global Corruption Report provides an overview of corruption-related problems in a selection of countries, worldwide including India.

http://www.transparency.org./publications/gcr/download_gcr

National Integrity Survey 2003

TI's National Integrity System (NIS) country studies are qualitative reports that provide a detailed and nuanced assessment of anti-corruption systems at country level. The NIS on India can be found at: http://www.transparency.org/policy_research/nis/regional

Freedom House 2008

India Country Report

Freedom House publishes a flagship comparative assessment report, which looks at global political rights and civil liberties in a wide range of countries. The 2007 country report on India can be found at: http://www.freedomhouse.org/template.cfm?page=363&year=2007&country=7194

Trace International 2009

BRIBEline Reports on India (2009)

This report by Trace International Inc analyses reports of bribery demands in India that have been filed on the organisation's Business Registry for International Bribery and Extortion (BRIBEline), a secure, multilingual, online tool for reporting bribe demands worldwide.
http://ptinews.com/pti%5Cptisite.nsf/$ALL/AED8EF899F3B543B6525753E0043C05D?opendocument

INDICES

Bertelsmann Transformation Index 2008

The **BTI** is a global ranking of transition processes, in which the states of democracy and market economic systems as well as the quality of political management are analyzed in 125 transitional and developing countries. India is included in the analysis and the rankings. The country reports can be found at: http://www.bertelsmann-transformation-index.de/28.0.html?&L=1

Bribe Payers Index 2008

The TI Bribe Payers Index evaluates the supply side of corruption. It consists of a ranking of 22 of the world's most economically influential countries according to the likelihood of their firms to bribe abroad. In 2008, it was

based on 2,742 interviews with senior business executives in 26 countries and territories.
http://www.transparency.org/policy_research/surveys_indices/bpi

Corruption Perceptions Index 2008

The **CPI** is an "index of indices" composed of nine different sources that provide a ranking of countries by their perceived levels of corruption based on expert assessments and opinion surveys. For the latest CPI survey data on India please see: http://transparency.org/policy_research/surveys_indices/cpi/2007

Global Integrity Index 2007

The Global Integrity reports asses the strengths and weaknesses of anti-corruption mechanisms worldwide. The country assessments comprising the reports are prepared by teams of in-country journalists, academics and researchers. For the rankings please see: http://report.globalintegrity.org/

World Bank Governance Indicators 2007

The Worldwide Governance Indicators (WGI), produced by the World Bank Research Institute, consist of six aggregate indicators of governance including: voice and accountability, political stability, regulatory quality, rule of law, control of corruption. It covers 200 countries and combines cross-country data from 30 organisations, including the sources used for the CPI. For the current 2007 index please see: http://info.worldbank.org/governance/wgi/index.asp