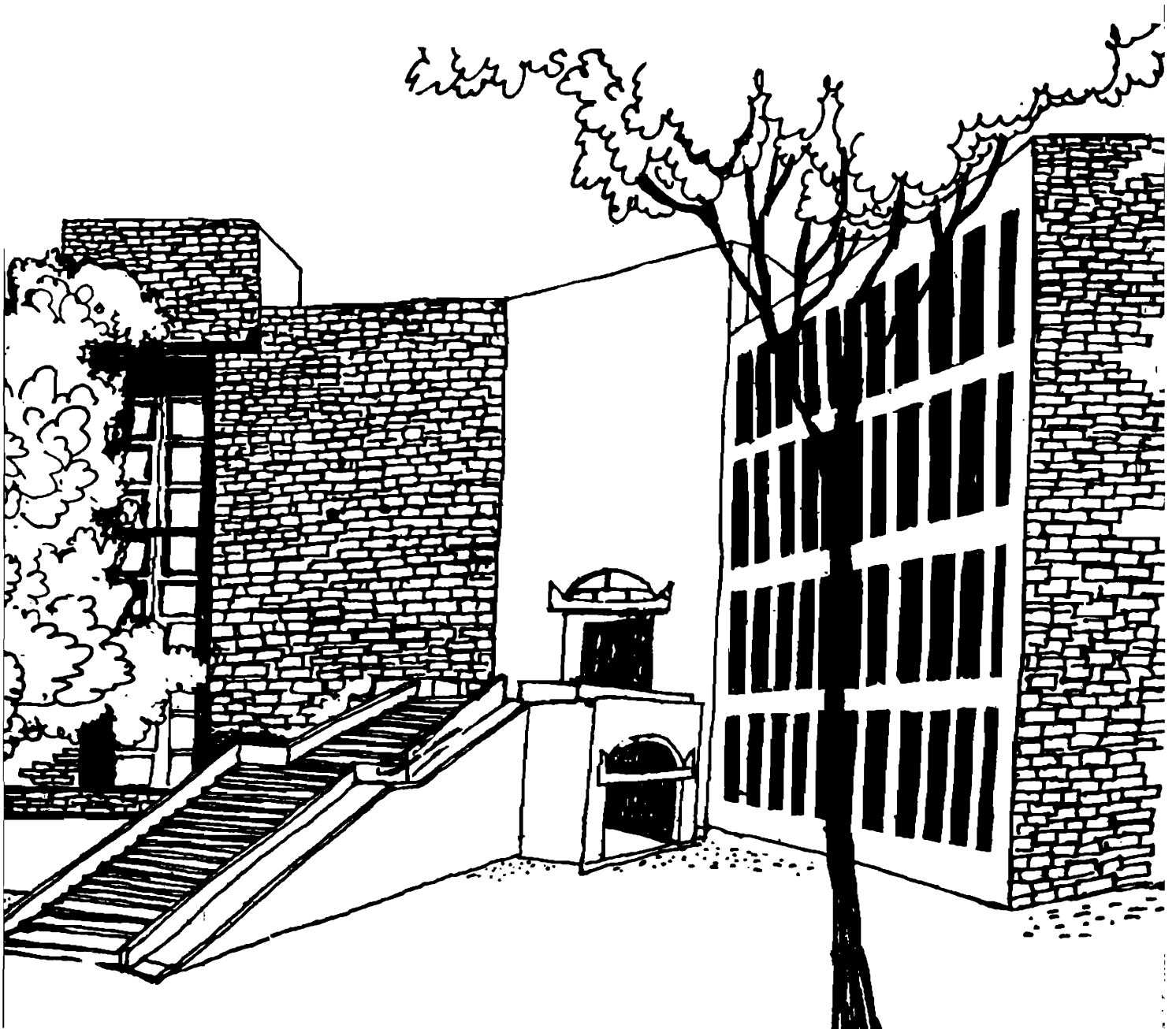




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# Working Paper



**TRANSPARANCY IN ECONOMY :  
CURBING CORRUPTION**

**By**

**J.P. Singh**

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# **TRANSPARANCY IN ECONOMY: CURBING CORRUPTION**

**J. P. Singh**

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**July 2000**

## **Abstract**

Transparency International's year 1999 Corruption Perception Index places India as the 28th most corrupt country in the world. This is a Slippage Improvement of six positions over 1998 achievement, notwithstanding addition of new countries to the list. This international honour has merited a very serious attention of the government and, understandably, several of its departments are working overtime to look in to the matter. The paper looks at some of the alternatives available for implementation, though in a satirical vein.

# **Transparency in Economy: Curbing Corruption**

**J. P Singh**

## **The Honours**

Transparency International's year 1999 Corruption Perception Index places India as the 28th most corrupt country in the world. This is a Slippage Improvement of six positions over 1998 achievement, notwithstanding addition of new countries to the list. This international honour has merited a very serious attention of the government and, understandably, several of its departments are working overtime to look in to the matter.

## **The Action**

Immediate action has been initiated on several fronts. A small news report, for example, alleging that a Police Inspector had in a Voluntary Fund Raising Effort generated an Estimated Wealth of Rs. 400 crores, led to a major inquiry. Resultantly, at least 54 persons have been detained, and 'none of them has been released either by the state or the central government'. Additional earnings of Rs. 64 crores have been recorded in petrol sales.

## **The Analysis**

As per a Doordarshan news, an alleged adulteration of Petrol / Diesel with Solvent, Naphtha and Kerosene was detected from the mere fact that new cars were reporting starting trouble. The News Analysis Team is still investigating as to why the case did not come to light when an automobile service station sent a petrol sample for analysis to a Premier Chemical Laboratory. Or when a Consumer Protection Organisation collected petrol samples in media presence, and found each one of them to be adulterated. But what matters is that eventually the matter did come to light and for that the nation is grateful. If new cars still give starting trouble, it may be due to flaws in automobile technology or driver apathy. It is unlikely to be a result of Solvent Petrol mix.

## The Follow Up

While immediate action is underway, the premier Indian Agencies Fighting Economic Crime have identified several new cases, each with a larger potential and involving more important personage? Unfortunately, information gathered so far can not be shared with the nation until all proofs have been collected? In any case, the entire material cannot be shared as some of it comes under the purview of Official Secrets Act. Some facts may also be deemed necessary to be withheld for appropriate future use. The entire matter, however, will be placed before the appropriate authority for appropriate decision at an appropriate time.

## The Strategy

More importantly, a multi-pronged strategy is already on the anvil. Significant components of this strategy include:

### A. Making Freedom from Corruption a Fundamental Right under the Constitution.

This is commendable since we already have the fundamental right to life and liberty. That our legislators have a fatal attraction for passing Humane Laws that deny even these rights is a different matter. But tokens are good and an additional token of fundamental right of freedom from corruption will gladden hearts of all citizens.

### B. To set up a Website

As soon as the decision to set up a Website giving Statistical Data of Voluntary Fund Raising Efforts was taken, some bits of this strategy were immediately implemented. Results of the Impact Assessment Study are awaited which shall be due in a few years, assuming that plan funds for carrying out such a study will be available.

### C. To Empower Departments to Look Within

The measure is aimed at removing any bars, legal and 'spiritual', that prevent a department from looking at its own stable. Reports indicate that in Gujarat alone, a state known for relatively low level of corruption, there are at least 200 Police Inspectors who have worked hard to generate more than Five crores each as their

single handed contribution to the national wealth. No considerations of it being 'too small a sum to merit attention at higher levels' will be accepted in future.

#### D. To Empower Vigilance Agencies to confiscate Property

This merits support even though it is a tricky matter. Unfortunately, the data whether the said agency has earned its salary since inception through past performance is not available. The Government also finds it difficult to implement such a proposal as not many cases have been reported in the past in which confiscable property was traced. Nonetheless, the government is seriously 'toying' with the idea.

#### E. To Empower PM and CMs'

As a mark of its earnestness, the government is also considering empowering the Prime Minister and the Chief Ministers to seek resignations and recommend acceptance to the President and the Governors respectively as and when a vigilance agency places relevant facts before the State. The government has never compromised on the exemplary tradition set in the past when a T.T. Krishnamchari was asked to resign as Finance Minister. This is so despite the fact that the national scenario has considerably altered over time and no such situation has arisen in the 'hollowed' prestincts of State ever since.

#### F. To Investigate all cases of Dramatic Change

Since concealing income and wealth is not easy, the government has decided to vigorously implement the earlier decision of investigating every single case of known dramatic change in the expenditure pattern and living standards of each individual and family, including the Undivided Hindu Family. Thus without exception, all cases falling above the National Per Capita Wealth of Rs. 399.99 Crores will automatically come under the purview of Economic Investigation Agencies. Henceforth, no relaxation will be made in the marginal cases, as seems to have happened in the Alleged Solvent Mix case.

#### G. To 'Accidentally' Pursue all Cases that Come to Light

Following the classic example of Accidental Match Fixing that came to light with the use of modern technology in an ordinary investigation, a policy of Vigorous



Pursuit has been mandated in all cases where National Political Dues are considered to have been evaded. As a matter of abundant caution, in the rare cases that may involve Home Territory, law will be allowed to run its own course. This has been deemed necessary as people's emotions are involved and the government has to ensure that it does not add to the Law and Order problems that are already straining the meagre resources of Indian Police Force.

#### H. To Modify the Oath of Secrecy

A proposal to modify the Oath of Secrecy is on the anvil. This has become necessary as the UPSC, somewhat unfortunately, has fallen behind in recruiting 'Deep Throats' in the Government. Of course, it is also true that the parents no more make good quality 'Deep Throats' that can pass the ISO 2000 mark. Until there is an improvement in the recruitment quality, a modified Oath will let a conscientious officer 'leak' necessary and relevant information to the media, liberally defined to include the Press, Television and Internet, if such a leak is proven to be in the National Interest.

#### I. Tactics when Events Start Sizzling

No strategy is complete without an inventory of tactics for 'online' response to the unfolding events. Thus it has been decided that in all such situations a series of 'drastic' actions will be initiated. These include dismissing a Head of the Organisation or its equivalent a day before retirement. Or suspending a high rank Officer, important enough to merit front-page news. To ensure speedy action, powers to dismiss or suspend have been delegated to all states. A provision for corrective and restorative action will be available if a chorus of media starts shouting 'Unfair'. In case of no protest, the aspiration level of those waiting for promotion versus the ones directly affected by the severity of action will be carefully weighed.

#### The Unanswered Questions

To address the unanswered questions and residual issues, the matter has been referred to the Universities and Institutes of Higher Learning for research. What is worrying the Political Wing of the Government is that all said and done, Police is still a support department that functions at the will and command of other, more important, government officials. And not just those in the Ministry of Home Affairs.

What is the potential of other departments that have direct decision powers is the question that can not be left unanswered.

From APP to TNP

The question is if the Assumed Peak Potential (APP) of a relatively junior level employee in the police department is Rs. 400 Crores and the Least Known Potential (LKP) is, say Rs. 5 crores, what is the Peak Personal Potential (PPP) of similar ranks in the other departments. A secondary question is the individual and collective potential of various varieties of Secretary and other equivalent positions designed to create awe in the minds of ordinary citizens. For ease of prediction and based on the known facts about police, it has been decided to assume that no more than 20% officers are engaged in Voluntary Fund Raising effort, at any given time. At least not simultaneously.

The Handicap

Frankly, in academic parlance the above questions are simple, amenable to clear assumptions in mathematical modelling. The point where the best brains are getting 'stumped' is the Sports & Entertainment arena where neither boundaries, nor the direction of a hit, nor the number of players is known during a match. What a scientist needs is some personal insight, as opposed to intuition or divine knowledge that will help decide parameters for developing the model. Such a model, when developed, apart from estimating LKP, the PPP and Total National Potential (TNP) will also help decide the Tax and Non-Tax policies of the Government. How much beneficial will such knowledge be to the society, and how much will it simplify the life of a Servant of the Nation, only a fellow Servant of the Nation can understand, even when out of power.

The Needless Worries

Some no-good citizens continue to worry unnecessarily. For example, the unwarranted worry about Unwarranted Allegations of Legitimacy provided to Voluntary Fund Collection Efforts by lowly officials on the plea that it enables the National Servants of Society perform their constitutional duty to contest elections. Little do they realise that contesting elections is an integral part of a democracy and cannot be wished away. They also forget that all citizens are duty bound to help strengthen democracy with penny and pelf.

## Questioning Democracy

They also ignore the fact that were contesting elections so expensive a proposition, the Parliament, our sole Constitutional Body authorised to examine such questions, would have long ago decided to forego this form of government in favour of some other, more efficient form. As is well known, this body has never shied away from any decision, howsoever unpleasant or self-inflicting when interest of the nation is involved. Some other unoccupied citizens talk of security under a hereditary monarchy despite the associated risk of authoritarianism? Little do they realise that a democracy is also convertible into authoritarian dictatorship and ours in particular does function, more or less, in a hereditary fashion. So any alternate form of government is unlikely to be a superior government.

## The Ignorant

It may be important to remind such ignorant persons that scores of thousands of lives were laid to earn freedom and install the present form of government. Such Citizens are better advised to keep their neighbourhood clean and make sure that their household litter is not thrown in the street. And never from an upper floor window.

## The Future

The probability of future Slippage Improvement in Perceived Corruption Index seems fairly high, unless somewhere along the way, and perhaps ill advisedly, a variety of things may happen that are being supported by an Underground Citizens' Movement. These require:

- ⇒ Bringing in Public Domain all Bylaws, Policies and Rules by each government department for easy access by unoccupied citizens.
- ⇒ Simplifying all Procedures, Forms and Annexures and making approvals automatic on fulfilment of laid down conditions by ordinary mortals.

- ⇒ Adhering to the Best Practices as followed around the world in Government Purchase Decisions despite prevalence of segmental interests.
- ⇒ Cross-referencing and checking all land records to identify errors of omission and commission.
- ⇒ Making available Land Record to citizens on demand rather than to a series of Tracers and Facilitators.
- ⇒ Passing the Right to Information Act before it is erased from memory.
- ⇒ Enacting the Whistle Blowers Protection Act to protect such Deep Throats that may get recruited despite the known fall in quality.
- ⇒ Amending the constitution to delete Article 311 that makes public servants immune to chastisement.
- ⇒ Releasing the Law enforcement Agencies from the direct control of the Servants of the Nation and making them responsible to their own chain of command.
- ⇒ Setting up NGO driven National Department and State-wise Corruption Perception Indices that give public honours to various departments and Individuals.

### The Story

There is a story about a child who, while showing a Ds' and Fs' laden school report card to his parents, innocently asks, "Is this Heredity or Environment?" Poor parents do not know what to say, as they are responsible for both the heredity and the environment in which the child lives. Apparently, the citizens are face to face with a similar dilemma. After all they are responsible both for the heredity and the environment in which a government operates.

### The National Character

We are often told that it is the National Character of Indians that is responsible for the pervasive corruption in our society. Perhaps true. But for the character to

improve, we will need another millennium. Until then, all citizens will have no choice but to bear the stigma and also pay, literally and figuratively, for the Honours bestowed on us by the international community. Even those few below the poverty line, assuming that they also count in estimating national average.

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