

— | — | —

⊕

A Crusade Against Corruption On the Neutral Path

Volume 1

Manohar Manoj



Published by



Add: 303, Himgiri Tower, Kaushambi, Ghaziabad-201010

Phone: 0120-4314716

E-mail: economyindia@gmail.com

Copyright © Manohar Manoj, 2019

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, transmitted or utilized in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright owner. Application for such permission should be addressed to the publisher.

Disclaimer

The author and the publisher have taken every effort to the maximum of their skill, expertise and knowledge to provide correct material in the book. Even then if some mistakes persist in the content of the book, the publisher does not take responsibility for the same. The publisher shall have no liability to any person or entity with respect to any loss or damage caused, or alleged to have been caused directly or indirectly, by the information contained in this book.

The publisher has fully tried to follow the copyright law. However, if any work is found to be similar, it is unintentional and the same should not be used as defamatory or to file legal suit against the authors/publisher.

If the readers find any mistake we shall be grateful to them to point those to us so that these can be corrected in the next edition.

All disputes are subject to the jurisdiction of Delhi court only.

Printed in India at Nice Printing Press, A-33/3A, Site-IV,
Industrial Area, Sahibabad, Ghaziabad, U.P.

Dedicated to

All those countless people who are being tortured and crushed by the corrupt systems, the corrupt regimes and the respective accomplices throughout India and all over the world.

Preface

Almost 15 years back, when I started this book project on 'corruption', while sitting at my computer table, I found a mini mountain of rubbles and ruins, which I was able to behold through the window of my room. It was in fact the Ghazipur (Delhi) garbage point, where trucks of garbage used to be unloaded and dumped. I still view that point from the same window of my room, but that point has taken the shape of a big mountain now, where one can easily see hundreds of vultures flying over. This mountain of garbage has become higher and steeper in the course of time. I feel, the same dynamics applies to corruption also. We have vast persistence and precipitated emergence of corruption in our social atmosphere, which has taken almost an inherent shape in our whole system. In my opinion, this mountain of corruption is lying within ourselves as well, which is also becoming higher and wider like that mountain of rubbles and ruins. It has both vertical as well as horizontal growth, which continues to germinate in our exterior system as well as in our interior.

The idea of writing on the issue of corruption had germinated in my mind about 25 years ago when I wrote a series of five articles on political, social, economic, administrative, and cultural corruption in India for a newspaper. It was in fact the starting point of my journalism career. At that time, corruption was all along a routine affair for our whole system and then we had no Anna agitation on *Lokpal* or an agitation against black money. However, it became a well-woven perceived fact to my mind that corruption was the main factor responsible for all the problems

being faced by our public. To me, this was rather the DNA of all the problems and protoplasm of the whole operating system and set-up. From what has happened in our socio-political, economic and other systems during the past two decades, ever since I started closely observing the course of events, it appears that corruption is prevailing everywhere as an implicit form within our social, economic, political, and administrative systems and amongst various institutions and occupations as well.

Initially, I had nurtured a plan to write a multi-volume book on the subject, but after joining a newspaper in 2003, and thereafter starting my own magazine, *Economy India*, I decided to stick to only two-volume book on corruption. In the meantime, I also contested Lok Sabha elections in 2009 and 2014, which kept me busy for quite some time, although the idea of bringing the issue of corruption before the people was always alive in my mind. I made an extensive tour of around 1000 villages in West Champaran district of Bihar to know about the lives of the deprived and the destitute, and the connection of their plight with the ground realities of our systems and poor form of governance.

With more experiences of the situations prevailing in different spheres of socio-political and economic activities and with keen observation of various systems of the country, I felt that it was high time to complete my mission, so I stuck to this gigantic task of writing a mammoth book on corruption and now it is before all of you for your kind perusal.

This book aims to reveal all the facts and realities of the entire political, social, economic, and administrative set-ups of our country so that we can comprehensively perceive the menace of corruption which is spreading in all facets of our public life. Its focus is on communicating to the people why corruption is bad for society and the nation as whole. It suggests many practical and scientific measures to curb corruption as well. This book also depicts all sorts of holistic, realistic, and scientific measures to curb corruption.

This book has been laden with all the possible information, facts, documents, events, etc. and its historical perspective tries to present an encyclopedic view on corruption. Contents of

the book carry the characteristics of objectivity, neutrality, and impartiality. It follows scientific, logical, factual, empirical, path-breaking, ideal, and enlightening approach in presenting the occurrences of corruption. I have included all possible perceptions, perspectives, agendas, and initiatives in the book and suggested some remedies and reforms for the elimination of corruption from different walks of our life.

In general, people's perception regarding corruption gets built around news events, like Nirav Modi scam in PNB, Lokpal, 2G spectrum, Coal blocks allocation scam, Commonwealth scam, Fodder scam, etc. but my main motive while writing this book has been to tell the people about the existence of corruption in our systems and various institutions in its structural form, which is affecting every aspect of our public and social life.

While writing this book, I had to go through many books written on corruption, both at domestic and foreign levels. I also read various media reports on several scandals and cases of corruption. I studied many works done on the issue of corruption, especially by Transparency International (TI), CVC, Anti Corruption Bureau, etc. This gave me a panoramic view of the existence of corruption which ultimately enabled me to present my views more convincingly. I have included in this book references and quotes from many sources, including websites. I thankfully acknowledge all these sources and feel courtesy towards these contributions.

Briefly, the book incorporates the following aspects:

- (a) It makes a diagnosis of corruption on ministry/department basis, and profession/sector basis, prevailing in the entire hierarchy of government—from ministry office to the bottom-level office—in all three tiers of governance, viz. centre, states, and local government bodies. It has covered corruption in the government and non-government sectors, viz. public sector and the private sector.
- (b) It covers big political and public personalities who have been under the scanner for their corrupt practices and scandals.

- (c) Since people focus their attention on scandalous corruption, this book covers all big scandals which occurred from India's independence till now, from Mundhra scam to PNB scam.
- (d) It covers the cases of corruption prevailing in different institutions relating to education, health, police, defence, judiciary, press, films, media, and religion. It also contains the cases of corruption in institutions, cooperatives, NGOs, etc. and by professionals like engineers, doctors, politicians, businessmen, lawyers, police personnel, media persons, artists, technicians, brokers and middlemen.

The book will be helpful as a reference book and to some extent as a textbook for subjects like Political Science, Public Administration, Sociology, Philosophy, Economics, and Public Finance. It will help researchers in many other pertinent areas.

I feel that when an author starts writing a book, he first passes through an emotional frame of mind; he tries to explain to the readers what has been his cumulative thinking, his concern for the subject, the chronology of events related to that subject and eventually the factors which prompted him to write a book on them. While writing this book, I also went through such a frame of mind and so I poured my whole spirit, aims, and objectives while writing this book.

The book is structured in nine chapters—each taking up a pertinent aspect of corruption. The first chapter defines corruption and gives multiple meanings, connotations, and definitions of corruption, explaining it from a wider perspective in all its forms. This will enable the readers to view all the manifestations of corruption from a broader perspective.

The second chapter of the book describes various forms of corruption prevailing in all societies of the world. It is based on my study and observation of all possible attitudes of the people, families, communities, organizations, institutions, society, and the world at large as well as the main elements behind the occurrence of any sort of corruption in the public and social systems.

The third chapter presents a view of the corrupt regimes of various important ancient as well as present-day nations/regions of the world, like Greece, Rome, China, Middle East, USA, Europe, UK, Russia, etc. It also describes the existence and culture of corruption in ancient and medieval periods and in more recent times, that is, during the pre-independence period in India. While writing this chapter, I have relied more upon the available facts and the narratives. I have not added my own views, except some analytical inputs while presenting the state of corruption in ancient and medieval periods in India.

This chapter also analyzes the prevalence of corruption in various macro forms of government, viz. monarchy, theocracy, aristocracy/princely states, autocracy/dictatorship, communist/socialist, and various forms of democracy. This will open an inculcating debate on what type of government is better for us if we are to move towards a corruption-free polity.

The fourth chapter gives details of various scandals and scams which occurred in India under various governments at the state and the centre during different political regimes. It is like a modern history of corruption in India from 1947 to the present time. Since the magnitude of corruption is huge and the number of cases of corruption and the people involved is large, the approach of this chapter is to be precise, avoiding exhaustive details so that maximum number of cases could be covered. The text of this chapter has been based on various websites and other sources.

The fifth chapter presents the whole social dynamics of corruption in the country which starts from the institutionalized corruption existing in all three tiers of democratic governance, viz. centre, state, and local bodies. It also presents the instances of corruption in our four-pillared democracy, consisting of Legislature, Executive, Judiciary, and Media, and presents their whole hierarchical structure. This chapter also tries to analyze the prevalence of corruption in various sectors and professions.

The sixth chapter discusses all the systems, mechanisms, and institutions that we have established for the prevention of corruption in our country. It analyzes the measures that are in

a place for monitoring, checking and dealing with corruption as per the existing laws, policies, and by the law-enforcement agencies and institutions. It explains the role of legal infrastructure which we have in our country, including IPC and CRPC, Indian Evidence Act, Anti Corruption Act, Anti Money Laundering Act, Benami Transactions (Prohibition) Act, RTI Act, Whistle Blower Protection Act, etc.

There is also a description of the work and jurisdiction of some committees and commissions set up by various governments in the form of Santhanam Committee, the institution of Administrative Reforms Commission in 1967 and 2006, and Comptroller and Auditor General of India.

The seventh chapter explains Transparency International's rating and the formation of its various indexes which explain the presence and intensity of corruption in many countries, including India. The rating about some states of India has also been given in this chapter. The information has been given in a chronological order and documented for the benefit of readers.

The eighth chapter talks about various anti-corruption movements, and corruption as an issue in various elections in India. Apart from putting the chronology of events and the responses of existing governments on the respective incidents, the chapter analyzes how far mass movements have been helpful in combating corruption and in bringing good governance.

The ninth and last chapter gives people's perception about corruption in the form of their answers to my survey questionnaires. The five sets of questionnaires are targeted at (a) general public, (b) public representatives, (c) government servants from top to bottom, (d) businessmen, and (e) volunteers from professions, like media persons, lawyers, teachers, and corporate professionals who have provided valuable inputs for analyzing the menace of corruption. To some extent, this chapter exposes those sections of society, who indulge in corruption due to vested interests.

Overall, this book is an endeavour to explore the presence and prevalence of corruption in our society and to present its occurrence before the public and the system. It also tries to

pinpoint several causal factors which nurture and sustain this problem despite the existence of some preventive institutions. The book will be useful for policymakers, anti-corruption agencies, law-enforcement agencies, NGOs, and those who are concerned with the removal of corruption in India.

As an author, I can only say that I have tried my level best to make this book a holistic, profound, and penetrative one. I have tried to provide facts, figures, documents, chronology, history, analysis, perception, perspective, vision, and study approaches in a lucid manner.

Despite all my efforts, I am still apologetic for the mistakes and defects, if any, in the book.

Tribute: Along with my family members and parents—to all those friends and foes—with whom I shared the idea of this book on 'corruption'.

Manohar Manoj

Contents

<i>Preface</i>	<i>v</i>
<i>List of Abbreviation</i>	<i>xxv</i>

Volume 1

1. Meaning and Definition of Corruption	1-19
Meaning of Corruption	1
Types of Corruption	2
Definition of Corruption	5
More Definitions and Quotes on Corruption.....	6
The Product of Corruption; Putrid Matter	6
Meaning of Corruption	6
Examples of Corruption	6
First Known Use of Corruption	7
Related to Corruption	7
Other Legal Terms.....	7
Rhymes with Corruption.....	7
Some Important Quotes over Corruption	7
Public Office Related Definition	9
Definition of Legal and Illegal Corruption.....	11
Measures of Legal Corruption.....	12
Private Agent Definition of Corruption	12
Public Corruption: The Misuse of Public Office for Private Gain	12

Market Related Definition of Corruption	13
Public Interest Centered Definition	14
What is the Definition of Corruption as per Indian Law?	15
Scandal and Structural Corruption	16
Retail Corruption and Wholesale Corruption.....	17
Corruption and Black Money	18
2. Psychology, Sociology, Ethics and Anthropology of Corruption	19-97
Importance of Social Relation	23
In Ancient Context	25
Psychological Quest for Power	26
Ethics of Corruption.....	27
Human, System and Corruption.....	30
Concentration and Decentralisation of Power and Corruption	32
Lack of Sensitivity Among the Officials	34
Corruption and Society	43
Role of Family.....	49
Family Pressure and Corruption	51
A Person is Honest, but why does he not Want to Deliver Public Work: A Psychological Analysis.....	53
Sting Operation and Corruption.....	57
Government vs. Market.....	58
Private Sector and Public Sector	66
New Economic Policy and Corruption	68
Gaps between Employed and Unemployed	69
Corruption as the Consequence of Exploiting Opportunities	71
Lack of Societal Sense and Intellectualism	76
What Public Generally Say Over Corruption?	78
The Sense of Ownership Among the Officials.....	79
Inverse Relationship between Corruption and Development	81

Contents	xv
Transparency is Necessary for Good Governance ...	90
Balancing Act	92
Finally What should be Done to Repel Corruption ..	94
3. Corruption in Ancient India and the World, Under Various Political Systems.....	98-148
Corruption in the Ancient World.....	100
Corruption in Ancient Greece.....	100
Corruption in Ancient Rome	101
Corruption in China	105
Corruption in United States of America.....	108
Corruption under Various Political System	111
Monarchy.....	111
Theocracy.....	114
Aristocracy/Princely States.....	116
Autocracy/Dictatorship	117
Communist/Socialist.....	119
Democracy	121
Corruption and Bribery in Ancient India	123
Religion and Corruption in Ancient India	126
Hindu Perspective of Corruption.....	127
Corruption in Medieval India	134
Corruption under Muslim Rule	135
Mughal Period (1526-1707)	137
Corruption during Period of British Rule	141
4. Corruption in Post Independence Period.....	149-265
Nehru's Vision Over Corruption	156
Major Scandals under Nehru Regime	157
Major Scandals under Nehruvian Era.....	161
Shastri's Vision on Corruption.....	161
Indira's Vision on Corruption.....	162
Major Scandals under Indira Gandhi Era	165
Rajiv's Vision on Corruption	168

Corruption Scandals under Rajiv Gandhi Regime	169
Scandals during V.P. Singh	174
Chandra Shekhar's Vision on Corruption	175
Narasimha Rao's Vision on Corruption.....	175
Major Scandals in P.V. Narasimha Rao Era	176
Corruption under the Regime of United Front Govt. 1996-97	182
Major Scandals under United Front Era	183
Major Scandals under NDA-I Era (1998-2004).....	184
Ministerial Corruption Under NDA-1	185
Manmohan Singh's Vision on Corruption	188
Major Scandals under UPA Era	189
Money Stashed Away in Swiss Banks.....	190
Wolves of Dalal Street	190
Corruption by Reliance Industries	196
LIC Housing Finance Scam	197
Some Notable Scam under UPA-I and II Regime.....	197
Coal Mining Scam.....	200
Central Government/PSU Scam	203
Narendra Modi's Vision on Corruption.....	203
Scams under NDA-2 Govt. (2014)	206
The Decade and Year-wise Corruption at Centre....	213
Some Notable Convictions Over Corruption.....	224
Some Major Scandals of State Governments during Post Independence Period	227
Corruption in States	227
List of Some Notable State Scams.....	232
State Scam's in Yearwise form Since Independence ...	235
Description of Some Notable State Scams	242
SNC-Lavalin Scandal/Kerala	242
Mining Scam in Various States of India	246
Ten Most Allegedly Corrupt Indian Politicians	254
Black Money and Its Existence in India	259
Black Money in Switzerland	261

5. Structural Corruption in India (Part 1).....	266-404
MP, MLA, Local Body Representatives.....	267
Member of Parliament (MP).....	267
An MP may Commit Corruption in Following Ways	268
Reasons Behind Committing Corruption by the Public Representatives	283
Rajya Sabha	290
MLAs (Member of Legislative Assemblies).....	291
Local Body Representatives	294
Key to Check Legislative Corruption.....	297
Corruption of Executive, Ministerial Corruption (First Tier)	304
Possibilities of Corruption under Central Executive	308
Portfolio Distribution and Possibility of Corruption	312
Ministry-wise Probability of Corruption	318
Prime Minister.....	318
Ministry of Home Affairs.....	319
Ministry of Finance	323
Ministry of Foreign Affairs.....	329
Ministry of Defence.....	330
Comparison of Central Ministry with State Ministry	332
Ministry of Railway	334
Ministry of Telecom, Post and Information Technologies.....	342
Ministry of Petroleum and Natural Gas	344
Ministry of Mines—Coal, Steel, etc.	345
Ministry of Textile.....	347
Ministry of Corporate Affairs.....	348
Ministry of Law and Justice	349
Ministry of Agriculture.....	350
Ministry of Rural Development.....	353
Ministry of Industry and Commerce.....	360
Attached Offices	362

Ministry of Power	362
Ministry of HRD.....	364
Ministry of Health.....	364
Corruption in Third Tier of Democracy: Judiciary ...	364
Sector-Wise Corruption	366
Education	367
Health Sector.....	371
Public Construction.....	376
Banking and Financial Services.....	379
Manufacturing	383
Real Estate	384
NGO, Trust and Social Service	387
Cooperative Sector	388
Judiciary.....	390
Media.....	392
Politics.....	395
Bureaucracy.....	397
Trade and Commerce	399
Transportation	401

Volume 2

5. Structural Corruption in India (Part 2).....	405-449
Profession-Wise Corruption Being Committed	
Against the Public.....	405
Doctor and Other Health Staff.....	406
Engineer and Other Staff.....	407
Contractor and Suppliers.....	408
Police.....	410
Teachers	412
Scientist and Technocrats.....	413
Lawyer	415
Judge	416
Administrative Officers/Staff	418

Contents	xix
Clerical Staff.....	420
Supervisory/Vigilant Staff.....	420
Politicians and Political Workers	421
Entrepreneurs/Corporate	424
Self-employed Professionals.....	426
Technicians/Mechanics	427
Journalist and Media Persons	428
Public Relation Officials	430
Social Workers.....	431
Skilled/Semi-Skilled Labourers.....	432
Intermediary and Brokers	433
Traders and Shopkeeper	435
Chartered Accountant	436
Army Men and Officer	437
Student	438
Farmer.....	440
Agricultural Laborer.....	442
Daily Wage Earners	443
Artist, Model and Show Business Professional.....	443
Writer and Poet	445
Religious Workers and Godman	446
Sports Person.....	448
6. Prevention of Corruption	450-621
Prevention of Corruption under the First Tier (Central Government)	450
Prevention of Corruption under the Second Tier (State Government)	451
Prevention of Corruption under the Third Tier and District Administration.....	451
Legislature’s Role in Curbing Corruption	451
Legal Infrastructure for Checking Corruption	455
Indian Penal Code, 1860 (Sections 1 to 511)	457

Indian Evidence Act, 1872.....	460
The Prevention of Corruption Act, 1988	463
Stronger Anti-corruption Act.....	466
Collusive Bribery and Need of Change in POC Act, 1988	469
The Benami Transactions (Prohibition) Act, 1988 ..	472
The Prevention of Money Laundering Act, 2002....	473
Right to Information Act.....	475
State-level RTI Acts	477
Whistleblower Protection in India	480
Some Important Anti-Corruption Bills that Came in Parliament Recently.....	482
Lokpal Act	485
Lokayukta	490
Constitutional Amendment for Effectiveness	490
Right to Public Services Guarantee Act.....	491
Efficacy of Anti Corruption Laws in Checking Corruption	494
Anti-Corruption Committees and Commissions	496
Santhanam Committee Report in Detail	496
Administrative Reforms Commission	507
Mandates of First Administrative Reforms Commission	507
Second Administrative Reforms Commission	509
Implementation of Recommendations	511
The Vohra Committee Report	511
Anti Corruption Organisations in India.....	512
The Central Bureau of Investigation (CBI).....	512
Central Vigilance Commission.....	516
Deficiencies in the Present Anti-Corruption Institutions	518
The Directorate General of Economic Enforcement (ED).....	523
Central Economic Intelligence Bureau	524

Anti-Corruption Institution in Some Countries of the World	525
The Procurator-General in Soviet Russia	525
France—Conseil D’etat.....	527
UK/Independent Tribunals.....	529
United States/Congressional Investigation	530
Anti Corruption Audit Organisation in India	533
Comptroller and Auditor General of India, CAG ...	533
What Happen to the Audit Reports?	541
Big Four Accounting Firms.....	543
Earnest and Young (EY)	544
PwC	545
KPMG Young.....	545
Deloitte	546
E-Governance.....	547
Corporate Governance Framework in India	550
Key Legal Framework for Corporate Governance in India.....	552
Corruption Committed by Corporates	554
Corruption in the Private Sector	555
Prevention of Corruption through Third Pillar of Democracy (Judiciary).....	558
Role of Apex Court in Checking Political Corruption	563
Media the Unofficial 4th Pillar of Democracy.....	565
Role of Media in Combating Corruption	565
Major Initiative for Combating Corruption—Zero Tolerance Action Plan as Suggested by N. Vittal.....	572
Technology is Most Crucial to Check Corruption ..	576
Final Analysis on Prevention of Corruption.....	580
Prevention vs. Reform	582
Ideal Parameter for Judging the Performance of Any Government with Regard to Corruption	592
Overview of Anti-Corruption Mechanism and its Various Perceptions	593

Attack on Black Money	600
Corruption is an Event and Black Money is an Outcome	601
Black Money Detecting Organizations and their Hierarchy	603
Checking of Black Money through Demonetization	605
7. International Convention on Corruption and Various International Rating Agencies	622-669
Major Highlights of the Convention.....	623
International Rating Agency on Corruption	629
Transparency International (TI).....	630
Table and Rankings	633
Corruption Perceptions Index.....	634
A Glance at the Status of Corruption in Major Countries/Blocks	648
Americas	648
Asia Pacific	650
Regional Analysis by Kate Hanlon, Transparency International.....	652
India Corruption Rank	653
India, most Corrupt Country in Asia-Pacific: TI Study	653
Most Corrupt States of India, a Domestic Rating of Corruption	654
Europe and Central Asia: An Overall Stagnation....	661
Middle East and North Africa: A Region in Turmoil	664
Sub-Saharan Africa: Corruption Still Hurts Daily Lives	666
8. Corruption as an Issue in Various Elections and Anti-corruption Movement in Post-Independence Period	670-727
Anti Corruption Movements	670
Perspective of Various Political Parties about Corruption	670
Corruption as an Issue During the Elections.....	678
Mass Movement over Corruption	685

Contents	xxiii
Lohia's Crusade Against the Congress Regime.....	685
Mass Movements and Corruption	688
Gujarat Nav Nirman Andolan.....	689
1974 JP Movement.....	692
1974 JP Movement: Country's First Serious Anti-corruption Movement	694
How could Total Revolution Check Corruption? ...	697
Analysis of Total Revolution	698
Bofors: An Anti Corruption Political Symbolism	700
RTI Movement, a Non Political Anti-corruption Movement	703
The Movement for RTI in India	705
Importance of the Right to Information in Combating Corruption	705
Lokpal Movement	707
Hazare's Hunger Strike at Jantar Mantar	710
Political Party's Response to Hazare	711
Ramdev's Ground Protests at Ramlila Maidan	712
Other Organizations.....	716
<i>Suo Moto</i> Cognizance by the Supreme Court	717
Efficacy of Anti-corruption Movement	717
Anti-corruption Organizations	718
All Anti-corruption Movements were Politically Motivated.....	718
Anna's Agitation on the Formation of Lokpal	723
9. Public Perception of Corruption.....	728-783
Category of Questionnaire on Corruption.....	728
Corruption Survey No. 1.....	729
What Common People Think and React about Corruption	729
Survey Result/Common Citizen	732
Corruption Survey No. 2.....	735
Survey Result/Public Representatives.....	739

Corruption Survey No. 3.....	742
Survey Result/Govt. Employees	746
Corruption Survey No. 4.....	749
Survey Result/Industrialists/Businessmen	752
Corruption Survey No. 5.....	755
Survey Result/Voluntary Sector, NGO, Media, Lawyers.....	758
Some Specific Suggestions Given by the Respondents During their Survey Interviews	762
Public Awareness is very much Needed.....	762
There is Need of Launching Crusade Against the Culture of Bribery	765
Corruption has Become Institutionalized.....	766
Concluding Remarks on the Survey Questionnaires	769
Final Conclusion	770
<i>Appendix</i>	771
<i>Straight from the Author's Heart</i>	774