



Transparency International India

the coalition against corruption

Transparency International India

TI India is a not-for-profit, non-party NGO of voluntary workers formed in 1997 and registered in 1998 under the registration of Societies Act 1860 at New Delhi. It is accredited to the world body Transparency International, devoted solely to combat corruption both in international business transactions and at national levels and increase government accountability. TI India's prime objective is to promote transparent and ethical governance and to eradicate corruption.

Vision:

To create a corruption-free India, so that the poor do not lose their voice to corruption.

Mission:

To lead and support a committed effort to improve transparency and accountability by eradicating corruption through widening of knowledge and catalyzing action.

Priority Areas:

Good governance, research, capacity building, communication and advocacy, participatory monitoring, engaging with Government, private sector and NGOs

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Transparency International India's First Annual Lecture on **CORRUPTION & DEVELOPMENT**



by

Lord Meghnad Desai

On

16 January 2009

TI India's Programmes

- ☞ Enactment of a legislation for Lok Pal (Parliamentary Ombudsman)
- ☞ Appointment of Lokayuktas (State-level Ombudsman) in all States
- ☞ Compulsory audit of accounts of political parties
- ☞ Electoral reforms to prevent tainted politicians from contesting elections and holding the position of power
- ☞ Enactment of a legislation for forfeiture of illegally acquired property
- ☞ Speedy trial of criminal cases against Ministers, MPs and MLAs
- ☞ Enactment of a legislation for Whistle Blower's Protection
- ☞ Ratification of UN Convention Against Corruption
- ☞ Journalistic Excellence Award in exposing corruption
- ☞ Propagates tools like Citizens' Charters, RTI Act, Social Audit, e-Governance, etc. for improving governance.
- ☞ Reforms in police, judiciary and administration.
- ☞ Conduct studies to determine corruption perception
- ☞ Organisation of seminars and workshops
- ☞ Integrity Pact to prevent corruption in contracting and procurement
- ☞ Implementation of Development Pact
- ☞ Filling of PILs

TI India's Publications

1. Delays & Corruption in Indian Judicial System- Remedial Measures (1999).
2. Corruption in India - An Empirical Study (2002)
3. Study of Citizens' Charters of Delhi Govt., DDA and Income Tax (2002)
4. Bhrastachar Se Mukabla : Rashtriya Sadachar Vyavastha Ke Tatav (2003)
5. India Corruption Study (2005)
6. Stamp Duty & Other Tax Evasion on Property Transactions in Delhi (2005)
7. Corruption in Trucking Operations in India (2006)
8. Bharat Mein Bhrastachar Aur Usse Mukabla (2007)
9. Model Citizens' Charters (2007)
10. Towards Improving Governance (2008)
11. India Corruption Study (2008)
12. Soचना Ka Adhikaar (Marg Darshika) (2009)



TRANSPARENCY INTERNATIONAL INDIA'S

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by
Lord Meghnad Desai
on
Corruption & Development

on 16 January 2009

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India International Centre, New Delhi

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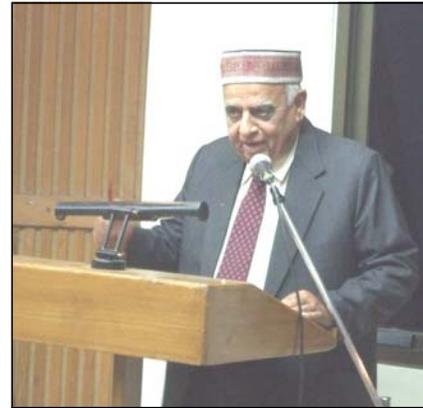


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Contents

Chapters	Page
1. Welcome Speech by Adml. (Retd) R H Tahiliani	01
2. Lecture on Corruption and Development by Lord Meghnad Desai	03
3. Vote of Thanks by Gp. Capt. (Retd.) S C Bahri	21
4. Lord Mehgnad Desai: Life & Works	22
5. Some Quotables: Lord Meghnad Desai	25
 Appendices	
A. Comparative Statistics about CPI since 1999 in South Asian Region	27
B. The Human Development Index (HDI) for India	28
C. Highlights of India Corruption Study-2008	29

Welcome Speech by TI India Chairman Admiral (Retd.) R. H. Tahiliani



Lord Desai and friends, It's a great day for TI India to have for its first annual lecture somebody of the stature of the Lord Desai. I was a little worried when we started, thinking that the place would be jam-packed and we don't have enough chairs. But you can see that corruption does not

attract enough support. It does not inspire our people to do something about it. No matter, we will keep up our endeavours. I personally believe, not because I am Chairman of TI India, that corruption in India is the worst thing which is responsible for all other evils in our society. Be it poverty, be it illiteracy, many other ills which afflict our society and, particularly the poverty, are directly the result of corruption. TI India has many programs. In the beginning, it looked like a voice in wilderness, but I am happy to say that as time goes on there are more and more friends, like-minded organizations, who are raising their voices and wanting to do something about it. So far we have been doing studies and surveys, in addition to other programmes. Our latest 'India Corruption Study 2008' with a focus on rural below the

poverty line countrymen, and urban slums, has shown us that about 30 per cent of them don't even have BPL cards which would entitle them to certain help, because they have no money to bribe to get that card. So it is a tragic situation. In fact, it does us no credit that in human development index we feature so poorly. In one or two parameters, we are even worse than our neighbours in Bangladesh. The fact that the country can grow economically at 9 per cent, and this year they talked about 7.5 per cent, is of little comfort to the poorest. So I do believe that the society as a whole, all of us, must take it seriously, feel answerable for this, try, and do something about it.

We are greatly privileged to have in our midst Lord Desai. He has very graciously agreed to give the first lecture. This will become now an annual feature on development and corruption. I was going through the brief bio-data of Lord Desai. I don't think I need take your time, but I may say here that he went to a secondary school, finished school at 14, got his masters degree before age 20, Ph. D. at 22 etc. etc. So before without spending any further time, I would request Lord Desai to please give us his talk. Thank you.

Lord Meghnad Desai's Lecture on 'Corruption and Development'

Thank you very much. It is an honour to give the first TI India lecture on corruption and development. I must say I was very pleased to see this report that TI India has published. There was already an effect to the report. I shall refer to that later on. But let me say something about corruption.



There is a story I had heard, way back in 1950s, that Pt. Nehru round about 1958-59, heard that India had become corrupt. So he asked his friend Shriprakash who was, I think, Governor of Punjab at that time, 'People say there is lot of corruption. So do you think there is corruption in India?' Shriprakash said 'I don't take bribes but I can't get back without giving bribes'.

Corruption - A Sort of War

This, I think, is a very interesting insight into corruption. Very often, we have a choice of not taking bribe, but not giving bribe becomes very difficult. I want to analyze that problem as to why it is that difficult a problem. But before it, let me say that corruption is a sort of war that we go on battling at in different countries and in different ways. India is, of course, already a bad example of

corruption. I was just looking at the Transparency International's Corruption Perception Index (CPI)¹ and on a scale of 1 to 10, 1 being bad and 10 being good, India was close to 2.8, and highest country was close to 9.7, way back 1995. India is also far down in the Human Development Index². I also feel, and the Nehru story shows, that there were times when India was not as corrupt as it is now. May be, it had still memories of independence movements. There was still a sort of honesty in politics. It also used to be said in those days that in politics at the top, there were a lot of honest people. When you went down, it got less honest.

Corruption Scandals in India

I was looking at some studies of corruption in India. In the fifties, you knew if it was a major scandal, since it was news.. There were very few major corruption scandals when Nehru was Prime Minister. We all remember Mundhra, and before that there was the Kirshna Menon Jeep Scandal. There were only five major scandals during 17 years of Nehru rule and then another about six scandals till the death of Rajiv Gandhi. Since then, they have become more frequent; each year between 1991 and 1996, there were major scandals. One way to explain the higher frequency of corruption scandals is, that perhaps, there was some kind of political stability or political governance thanks to the single dominant party. Also, when the single dominant party was in power, the politically powerful were corrupted in much more hush-hush way than later on, or they were able to control things, especially the leakage of information. Things did get bad in India in Nehru, Indira Gandhi and Rajiv Gandhi's time, but we knew much less. Of course, this is much worse now. One

¹ In 2008, CPI score of India was 3.4. For details, see Appendix A (Transparency International India)

² For details, see Appendix B (Transparency International India)

contributing factor may be rising literacy and the proliferation of news print and TV media.

So basically, politics is at the back of corruption. Therefore, whatever laws you pass, if politics is corrupt then those in charge will not implement the laws. The system will give a clear signal to people that implementation is not expected.

Distinction between the Government and State

In this context, I believe that, perhaps, during Mrs. Gandhi's reign, may be after or just before emergency, after she split up the Congress Party, began the idea that the State and all its doings were part of the personal fiefdoms of the political leader. Nehru was very scrupulous in making a complete distinction between the Government and State, and between political party and the Government. I always recount this item that I saw, and I was very puzzled. The First Five Year Plan document carried a letter from the Chairman of the Planning Commission to the Prime Minister saying, 'Dear Prime Minister, I am hereby submitting the report'. The fact is that Prime Minister was writing to himself as Chairman, Planning Commission. But he was keen to make a very clear distinction between holding an office ex-officio and holding an office by choice. He was making it quite clear that just because you are both the Chairman of Planning Commission and the Prime Minister, procedures could not be overwritten. You had still to submit the report to the Prime Minister. That was the law of the land. So there was scrupulousness in parliamentary procedures and, to some extent, the political party system still had not only some ideologues but also some idealism as a result of the experience of the independence movement. There were laws and these were by and large obeyed.

Situation after Nehru's Departure

I think it happened after Nehru's departure, especially during the Indira Gandhi era, that the idea came about that the political leadership, especially the top political leadership, was immune to the rule of law. The entire reaction of Indira Gandhi to the High Court Judgement against her is very typical of this. I think her father would have immediately obeyed the order of the court. The court only said she was not allowed to vote in the Lok Sabha. It did not mean end of her regime as Prime Minister. But she could not even bear to obey that much mild injunction, and that too only when the Supreme Court was still hearing the appeal. The order of the Supreme Court said that during the pendency of the appeal, she as Prime Minister could not vote in the Lok Sabha. She had an overwhelming majority at that time, something like 390 out of 545 members, and enough to win any battles. Yet she defied the court judgment. That was beginning of the idea that the rule of law does not apply to everybody. Once that idea gets into the political structure, it is very easy for everybody who comes to power to presume that laws are not meant for them. Laws are meant for other people.

Political Impunity since 1989

As the political party structure has fragmented in India during the years since 1989, everybody feels that once he has arrived in power, he can display his immunity from the law, and flout the law with impunity. It has clearly happened. As a result of the requirement of declaration of assets by candidates before elections, people shamelessly flaunt their assets and don't even feel they have to explain, as in Rajasthan elections held most recently or in one of the BJP States. It shows that ministers have increased their assets from rupees one crore to almost seven crores and they did not feel called upon to explain. It is never even questioned

to show what the details of their assets are. To some extent, the public has become very tolerant, insulated from any shock about corruption.

Non-implimentation of Laws

One of the remarkable consequence of this trend is the deterioration of political climate in India. So one aspect of the situation is that although on the one hand there has been lot of progress on various dimensions and India has now survived 61 years of democracy, the quality of the politics has deteriorated badly. The electorate has stayed very good and even got better but the quality of the political parties, of the people who deliver our governance, has really deteriorated, except, as Amartiya Sen said, the Indian is more argumentative. All Indians are very good at words, making reports, laws and commissions, and speeches. I am sure, for everything there is a law, but laws have not been implemented. This is at the heart of corruption.

We often think of corruption in terms of financial corruption, but the idea that some people are immune from the law and can with impunity break law is beginning to be more and more acceptable. It is a very disturbing thing. I think two things had happened. The first is the idea that Hindu society is deeply imbedded in Indian culture. You have to show you are above somebody else to be anybody because Hindu society is hieratically constructed. Indeed it has been shown by Louis Dumont, the famous French anthropologist, that Hindu society is more inegalitarian than many others. It is the only religion which does not affirm equality even in principle. It actually asserts inequality as a rule. So, in a sense, the whole notion of *dharma* is to uphold the order of the day. I mean, the order is an order of inequality. It is your duty to uphold the order of inequality. I am right to say here that if you compare two people, you will know who is above

whom, whether it is in queues at air ports or anywhere else. Some people believe they have a right to go straight to the top, because of 'do-you-know-who-I-am' sort of logic. It is embedded because the idea is that some people are above some other people. This aspect clashes with the democratic nature of the Constitution. One of the things India has to struggle throughout is the clash between the notion that we all are socially equal; not economically equal, but socially equal.

Social Equality in UK

I have lived in UK for 45 years now. It is a remarkable thing that despite great economic inequality there is a presumption that we are all equal and everybody has to be treated with dignity or respect, be she the cleaning lady who comes once a week and cleans the house, or the waiter in the restaurant, or the attendant, or a reporter . They are all individuals who deserve respect, and we all treat them with respect. That leads to the idea, notion of social equality, that we are all equal before the law. I think this is one of the most important notions of equality before the law. There are two examples I will give. Kenneth Clarke, who was the Chancellor of Exchequer, and is now a leading Conservative Member of British Parliament in opposition, was one day traveling on the London underground. No 'Z' security in UK. The underground is ticketed by zones and he happened to be beyond the zone for which he had the ticket. When he got out, his ticket could not go through. He had to see the attendant who told him that he had travelled beyond the zone where his ticket was valid. He had to pay a fine of ten pounds. He paid without any further question. Now this man, who was in charge of the Exchequer, did not for one minute argue that he should not pay the fine.

Exemptions to Politicians in India

Now I tell you another story. When Tony Blair was once speeding to the airport, his car took the 'bus only' lane. The car was stopped and it was fined. The fact is that the Prime Minister's car was not supposed to be there. Now that degree of insistence on obeying the law conveys the notion that we are all socially equal and nobody is above law. Whenever I come back to India, I am very uncomfortable about the way people relate to people who think are below them. They are the finest people, most egalitarian people. But when in restaurants, they start shouting at the dining table, they want to show that they are the boss and socially superior to the waiters.

The aspiration of anybody who is not at the top is to advance to the top mainly through politics and be able to get immunity from the law. What happens in India, since the fragmentation of the party structures after 1989, is that now there is a trade union of political parties. Opposition and government, all get-together and assure each other that the law is not to apply to them regardless of who is in power. There is bit of revenge now and then. When BJP comes to power they take up a Congress scandal. Bofors for example, and Congress take up BJP scandal the Havala scandal or Babri Masjid dispute. But you know, as the recent example of Mulayam Singh Yadav's court case showed, that as soon as the Samajwadi Party and Congress got together, the CBI was told to withdraw the case against Mulayam Singh, and it actually said so in court. The shamefulness of this behaviour is that the CBI, which is supposed to be the investigating agency, actually admitted in court that it had been instructed to withdraw the case. Why didn't they actually say that they got it wrong or they had no more evidence? They said they have been instructed to do this. It has been so shameless

that people don't even mind in admitting an illegal act in a court of law.

When you speak of corruption and development, one could even take a contrarian view in saying, 'Oh! corruption, it does not really matter'. If anything, India has grown faster in the last 50 years than it had before. Without any doubt, it has also become more corrupt. Or look at all the Asian tigers. All Asian economies are horrendously corrupt, may be Singapore is an exception. Whereas African countries are as corrupt as the Asian countries, the Asian politicians deliver after taking the bribe while the African politicians don't deliver after taking a bribe. You have also seen in Russia how, when the Soviet Union collapsed, there was a wholesale looting of public assets by an oligarchy in a country which had for 75 years been supposedly disciplined.

This is big corruption. A minister found having 93 crores of rupees in his house because he is in charge of mobile telephony does not really worry me. I cannot help feeling that big corruption is a division between people who can afford to give money to each other. It is immoral and harmful. But if some big multinational telephone company wants to give the minister 50 crore, it will perhaps come out in some stage as high price for my telephone; but it will be peanuts. It is division of the loot because the minister has control over who gets public assets. One may ask why a minister should have control.

Corruption: An Inequitable Tax

But it is different with petty corruption, because corruption is an inequitable tax. It is not only a tax which nobody has approved of, but it is regressive and inequitable. Very often in petty corruption, a person taking the bribe is perhaps not richer than person giving the bribe but still there

is a disproportionality of effect in petty corruption. I think it is petty corruption that one has to watch. There is a very remarkable thing about this in the India Corruption Study 2008. It concentrates on 'below poverty line' households. The police come out to be very corrupt in this study and people have to, more often, pay money to the police because police have the local monopoly of power. There is no substitute for the police. If you are in business at any time, then you have to continue the relationship with police. There is no escape. Police will come around every week to collect *hafta* and in a sense if you don't pay *hafta* even if you are a law abiding citizen, the police can make a case against you. Even if it is false, it will take lot of your time and resources to prove your innocence.

Corruption among Civil Servants

There is a sort of total collapse of any neutral public space. Earlier, both police and public servants were, by and large, a neutral public space. People thought that politicians were corrupt and civil servants were not corrupt, police were not corrupt, judges were not corrupt, and the army was not corrupt. But progressively in 1990s, areas of public life that used to be uncorrupt have been grossly corrupted. Now it is well-known that civil servants are corrupt. When Chief Ministers come into power they sack police officers, transfer or replace them. Every policeman knows that his or her career is at stake if they don't comply with the command of the local politicians of the ruling party. So the police partly have their moral backbone already broken. But in a sense it is also quite clear that if a policeman is caught taking bribe, it will be a very bad luck if he got prosecuted for it. If you survived in the police, you should know who to go to and get out. So there is collusion. It is just like the collusion amongst the political parties that they will not take each other to court for



corruption, they will tolerate, live and let live. There is also this collusion in the erosion of neutral public space.

I think there are other aspects of the erosion of public space. Take what is called communalism/ secularism divide. In my view, this is not an issue of religion. It is an issue of rule of law. We no longer treat people as equal before the law. We want to know the religion or the *jaati* before we decide whom to blame or not to blame. This is again morally very corrupting. But much more than that, it is quite clear that police have their moral backbone broken and it will be very easy for them to say 'why fight'. They will follow the political injunction as to who to arrest and who to let go.

There is also another thing known as group behaviour. There is very interesting story that I read in a book called *Untouchable*, edited by Narendra Jadav who is currently Vice-Chancellor of Pune University.* It is a very inspiring book on

* Now, Member, Planning Commission with effect from 27 July 2009 (TI-India)

how this untouchable family from a village in Nasik came to Bombay and rose to great heights. This is when his brother first joined a government office while he was waiting to do his IAS. He said he was very efficient at clearing some permits. Within a week his colleagues got very hostile to him. He was not supposed to show his talent. He must take several days, because that's how they got money. His efficiency was disturbing their routine. He was standing in their way. Luckily, he was not going to stay there for very long, but there is that sort of compulsion.

While I was preparing for the talk, I wanted to look whether there was any ethical injunction against being corrupt in Hindu philosophy. I am not a philosopher, so I didn't really do great research as such. But there is a notion that there is not only *dharma* but there is *swadharma*. Even robbers have a caste and, therefore, the robber's caste has a *swadharma* of robbers. You have to behave in accordance with the compulsions of your occupation and stay within it through life. I think this is the *swadharma* that makes police corrupt. This was not the case earlier. But something has arisen over the time. People have to resort to corrupt practices either because they are very weak or they may be in need of police. At that stage when you need police, they will come only if they are given money. It is like an emergency tax.

Effects of petty corruption

I think one should really concentrate on petty corruption. The report³ estimates that 883 million rupees are paid as bribe by the poor. It is a staggering sum of money. It is a very heavy tax on the poor. The corruption tax is a serious loss of earnings. Corruption in education has long term

³ Source: Transparency International India's *India Corruption Study -2008*; For Summary see Appendix C (Transparency International India)

effects. If you can't get your child into school without paying bribe, and suppose you choose not to pay bribe, then you are affecting the future of your child in the long run. From that point of view this sort of petty corruption has its long-term effect of keeping people in poverty. So one of things I want to urge is that one has to think in great detail the way about how to overcome this. One thing to do is to actually explore areas in which corruption is low. What is it that makes a few people stand out and not to take bribe and how can we entrench that sort of behaviour. Why there are certain low corruption sectors and other are high corruption sectors?

We can learn something from low corruption sector about how to use it as a lesson in a high corruption area. That way we can reduce the costs of corruption for the poor. One remarkable thing about a category of BPL is that the poverty line in India is quite mean. There are many more people in India who are very poor. The poor in India are not just 220 million, there might be 450 million. So these numbers are quite a bit under-estimated as to the true incidence of corruption among the poor. To be able to reduce the amount of corruption or amount of petty corruption would be a great contribution to development in a sense of equity of outcome. People who already don't have a good starting chance to advance themselves will have one obstacle removed from their path, because there are enough other obstacles even without corruption.

I want to come back to education. It is a low corruption sector in the Survey. Education is going to be more and more important factor, especially primary and secondary education. This is where most of the corruption is. The interesting thing about the police misbehaving with the shopkeepers is that every week he comes to collect his due. The frequency is regular and high. But in school it only happens once a year.

So the frequency with which you have to gain favour may be one reason why corruption is low in education. Once you get in, you get in. Thereafter, you really don't have to worry much about it. Moreover, in schools there are many people deciding whether you get in or not. But the policeman can do his corrupt deal with the stall holder directly. Not many people are going to witness. In the case of the school, there are other teachers and may be other parents who could perhaps insist on their rights. Between these two extreme behaviours of the policemen and of the school, one must start at the most favourable sector and try and work up.

I am very optimistic about effectiveness of initiatives. I give you an example. I was in London School of Economics. According to one scheme, every year 12 very bright young people who had leadership qualities came from India from public sector and private sector. One of the persons was from the IAS. When we were interviewing him we asked him to tell us something that he was proud of having achieved. He said he had a driver who had to take him to his district office where he sat as a collector. He found out that the driver was there the whole day while he was working. So he taught him to do computer. He told him that while he was working he should wait in the ante room to the office and whoever came he would ask him for what he had come.

Most people came to get some certificate or the other. This gave the Collector a chance to follow up as to where the delays were and find out why these people had not got the certificates. If somebody had not got the certificate in a week or two, he could chase up and find out from the particular desk why the certificate was not issued. This very simple device considerably reduced the scope of corruption. This is lateral thinking. He did not have to do it himself but used his driver. So it is a good human resource management.

He certainly thought that without being intrusive and asking people whether they were taking bribes or not, just noticing the queuing system and the delay cost gave him a very good insight into why people were not getting what they were entitled to get. Most of the time, people came to his office asking for certificates. Soon they got free of charge the thing for which they had already paid for as tax payers. So there are lateral ways of thinking.

The power of a person to delay decision is the most powerful resource in taking bribe. You won't get what you want unless you pay the bribe. He would in effect tell you to go back in the queue. And there is no hope for you in the queue. So if delay is the power the person has over you, then how to overcome delay. Most often, there is no real scarcity of what you are asking for. Why should the BPL certificates be difficult? So one has to inquire whether there is a very simple way of using information. Most obstacles people have to face can be overcome without paying bribe. Is it a matter merely of speeding up, jumping the queue, or is it of not getting something if you don't pay? So if one can break down these problems of behaviour, there are lot of very interesting things people have done on this. One may be able to understand the nature of petty corruption better. If we can get petty corruption under control then, I think, in terms of development of the poorest people one would be taking a progressive step.

Big Corruption and the Politics

I think big corruption gets a headline. Big corruption is juicy news. The big corruption is also something about which little is going to be done unless the politics become cleaner. The politics can become cleaner if this coalition situation is reversed. It is very interesting to study how Britain became

uncorrupt, because it was corrupt once upon a time. It was through the nineteenth century that it became uncorrupt. It became uncorrupt not only because of the press, trade unions, and churches, but also because eventually it settled down between two parties. And those parties alternate. Instead of deciding to collude, they decided to compete and keep an eye on each other. This made each other uncorrupt. I think no British minister that I know of, and I know many of them during last 45 years, has made any money being a minister. What's more, in 45 years I have lived, I never had to go to anybody, any politician, to get my telephone or gas, or my garbage cleaned. I know the MP because he is a friend. But I never have to go to my MP to get anything. It is always a shock when I come to India. The smallest thing becomes a nightmare. Delay is a very strong weapon with the bribe taker against the bribe non-giver.

Towards Uncorrupt India

India used to be less corrupt than it is now. Corruption was not inherent in national culture and character. It is possible to create institutions. It is possible to create spaces in which people will be encouraged to behave in an uncorrupt way. In the meantime, we have to concentrate very much upon how to get the poorest, the ordinary people, out of corruption. One thing I have noticed, and this is my final thought. It is that when the first step for liberalization comes there is big scope for bribe taking from the top. But once that has happened, things improve. You don't have to bribe anybody to get the mobile telephone. When mobile telephone was set up then there was a big bonanza, but once it has been set up, it is over. So there is my preference for liberal reform. Thus, it may be that cooking gas should be distributed privately. In Goa, getting broadband is very difficult because the government allocates the broadband. The Tata

Indicom gave us a dial up service, just like that. But for broadband, we take seven months. It was hinted that we had to go and see the local MLA. We refused to see the local MLA. Why should we go and see the local MLA? Why should I have to know who he is? There is clearly a hint that if you pay the bribe to local MLA, you will get a broadband. In the meantime, we will have some questions. Thank you, very much.

Intervention

Our dream is, and I am talking about TI India that I and my colleagues will work with the poorest. We are not a wonderful civil society organization like the MKSS that has empowered people with the Right to Information Act, and how to use it. But our experience has been that wherever citizens have gone in a group to demand a service, no bribe has been demanded. Likewise, wherever technology has been used, no bribes are involved, and when there are no shortages, as Lord Desai mentioned, like in the telephone sector, there are no bribes.

Intervention

I think there is a very important aspect you mentioned that even the small amount of money the poor person has to pay matters a great deal to him. When corruption is occurring, one person has to face it directly. I recently came across a shocking incident. I am living currently in Indrapuram and there is a nearby village called Khoda from where all the domestic workers come. A middle aged Bengali woman while returning in the evening was robbed, assaulted, and raped by three or four men. She was left naked at that place. Some gentleman from the same community covered her with a shawl. They were very shocked. Next two days, I followed up. They were all very agitated, and lots of people gathered

together. They finally left all this to the police. The question which rose was whether they could pay money for registration of a complaint so that the police could question. When you hear this kind of instance, it hurts you very deeply, that the corruption is not about money the poor is required to pay. If the poor cannot pay, what happens to their life?

Lord Desai

I think what you say is that in an unjust society you may have to pay to get justice. In a normal society, you may have to pay not to get injustice. Of course, there are compulsions. People pay bribes not because they like to pay bribes but because they have to pay bribes. The legal situation is absolutely straight that nobody should pay bribes and taking bribes is an offence under Section 161 of the IPC. I could read out all to you, it's a very boring detail. Now, it is not a matter of law. Other costs like humiliation, hurt, and injustice are there if you don't pay. It is not to say that if police had registered the complaint, she would have got anywhere. So what is the use of paying money? It is the corruption of politics as such. People don't really have much faith in public institutions. At the same time, the ideological preference of those in power is to say that private sector cannot be trusted to do these things.

There is a lovely example I read a while ago that an auto rickshaw driver in Delhi has to go to the veterinary department to get a certificate of competence because once upon a time these were carriages drawn by animals and the law said that in order to renew a license you have to show the animal. Now the law has not changed and nobody has seen to it that the law should be changed. There is an organization called Centre for Civil Society. It is an NGO group within Delhi. They are great people. They put out again and

again pamphlets and information on how completely irrational is the licensing system. Nobody is willing to point out this anomaly, because veterinarians marched up to Sheila Dixit saying you are going to make Delhi unsafe if these auto rickshawalas don't get certificates from us. There are a number of these anomalies in which people have to get a license for something. Recently, we bought a house in Goa, and buying a house in one process is long enough. But for getting everything else and getting the name in the electricity bill changed, you have another agency. Why when we buy a house, everything cannot be done in one piece when we get the registry?

Vote of Thanks by Gp. Capt. S C Bahri

It has been a great honour to have Lord Meghnad Desai for delivering the First TI-India's Annual Lecture on "Corruption and Development" today. We are obliged to you, Sir, for sharing with us your valuable experiences in India and U.K. correlating anecdotes with development and corruption. The lecture has been very informative, enriching and thought provoking for all the participants present here in this mini Hall. This menace of corruption has been in the existence since time immemorial. We all, young or old, bureaucrats or business men, or a common man, will have to combat corruption conscientiously to reduce this evil though it is difficult to eliminate it completely.

We are grateful to Admiral (Retd.) R. H. Tahiliani, Chairman, TI India, for acquainting us with methodology/strategy like Integrity Pact, Citizens' Charter, RTI, Social Audit, 'e'-Governance and Pass Books of entitlement of the rural population & BPL to make India free of corruption.

I would like to thank the India International Centre for joining hands with TI India for organizing this event and also for their hospitality. We express our gratitude to the media people for joining us and also to all the participants for sparing their valuable time to attend this lecture and to make this event interactive and successful.

We also thank TI India's administrative staff in making excellent arrangements. We thank you all.

Lord Meghnad Desai: Life and Works



Prof Lord Desai, Meghnad Jagdishchandra Desai was born in Vadodara, in India on 10th July 1940. A brilliant student, he has matriculated by the age of 14, was an Honour student before he was 18, had a Master's degree from Bombay school of Economics before the age of 20. He won a scholarship to the University of Pennsylvania and was a PhD at the age 22. Thereafter he joined the London School of Economics, an institution with which he had a distinguished involvement with several decades. He was the head of the Development Studies Institute during 1990-95 and the Director of the Centre for Study of Global Governance, which he founded in 1992. He is now Prof Emeritus of LSE apart from being Chairman of the Trustees Board for Training for Life, Chairman of the Management Board of City Roads, and on the Board of Tribune magazine. He is an Honorary Associate of the National Secular Society.

Prof Lord Desai has written extensively on a wide range of subjects. From 1984-1991, he was the co-editor of the Journal of Applied Economics. His widely acclaimed works include *Marx's Revenge: The Resurgence of Capitalism* and the *Death of Statist Socialism – Divided by Democracy, Development and Nationhood*, *Essays in the Political Economy of South Asia*, and *Global Governance: Ethics and Economics of the World Order*.

Prof Desai's immense experience and sound knowledge of economic and governance issues have been utilized by the governments of the United Kingdom and Algeria, and International organizations like FAO, UNCTAD, World Bank, UNITO, and the UNDP. Prof Desai has also adorned the chair and the Presidentship of the Ecliptic South and the Finsbury constituency of the Labor party in London.

He was raised to peerage as Baron Desai of St Clement Danes in the City of Westminster in 1991. In recognition of his outstanding contributions in diverse areas. He was honoured with the Pravasi Bhartiya Samman Award in January 2004 as the most distinguished persons of the Indian origin. Prof Lord Desai's speeches and writing on a wide range of subjects including economics, societal challenges, politics, democracy, and governance have invariably been original, innovative, and stimulating and have made significant contribution to understanding the challenges and opportunities of our times.

Books by Lord Meghnad Desai

1. The Cambridge economic history of India
2. Global governance: ethics and economics of the world order
3. On equality: a centenary anthology
4. Marx's revenge: the resurgence of capitalism and the death of statist socialism
5. Essays in Honour of Victoria Chick: Methodology, microeconomics, and Keynes
6. Marxian economic theory
7. Testing monetarism
8. The Selected Essays of Meghanad **Desai**: Poverty, famine, and economic development
9. Global governance and financial crises

Some Quotables : Lord Meghnad Desai

An interesting interview with Lord Meghnad Desai appeared in *The Indian Express* on February 17, 2008.

Below are a few quotes from that interview.

The Best Quote:

There are no Indians left, only OBCs, Dalits, Hindus, Muslims, and you get your agent to get you your entitlement.

On the civil society fighting for it's rights:

I think, eventually, civil society will learn not to rely on the state for redressal of its grievances. The state does not exist to either grant human rights or to guarantee human rights. You have to fight your own fight to have them and when they are violated you have to fight and you have to fight absolutely neutrally — you have to fight for the human rights of the bad guys as well.

On NREGA:

All you promise people is one hundred days of work. There are alternative polices which could do better. NREGA says don't be mobile, you stay there in the villages and jobs will come to you. Historically, how have the poor got out of poverty? By their own efforts and very often by migration. NREGA is a way of doing something which is very well meaning, but it's a palliative, it is putting a colourful Band

Aid. It is not a solution to poverty.

On the fuel price hike:

It's not enough. Why should you or I subsidise car drivers?

On why subsidies need to be cut on import of oil

No. I come from a country where there is more than 100 per cent hike on petrol prices, because car driving is bad, bad for the environment, bad for the traffic and it should be discouraged. And if somebody is driving, he can afford anything. Mercilessly tax them.

On globalisation:

I believe it's the most positive force in the world. Without globalisation, India and China would not have been where they are right now. The decline in Indian poverty levels from roughly 40 per cent in 1980 to roughly 20 per cent would not have happened without globalisation.

Appendix - A
Comparative Statistics about CPI since 1999 in South Asian Region

Year	No. of countries surveyed	India's CPI Score & rank	Bangladesh's CPI Score & rank	Bhutan's CPI Score & rank	Nepal's CPI Score & rank	Pakistan's CPI Score & rank	Sri Lanka's CPI Score & rank
1999	099	2.9 (72 th)	-	-	-	2.2 (87 th)	-
2000	090	2.8 (69 th)	-	-	-	-	-
2001	091	2.7 (71 st)	0.4 (46 th)	-	-	2.3 (79 th)	-
2002	102	2.7 (71 st)	1.2 (102 nd)	-	-	2.6 (77 th)	3.7 (52 nd)
2003	133	2.8 (83 rd)	1.3 (133 rd)	-	-	2.5 (92 nd)	3.4 (66 th)
2004	146	2.8 (90 th)	1.5 (145 th)	-	2.8 (90 th)	2.1 (132 nd)	3.5 (67 th)
2005	159	2.9 (88 th)	1.7 (158 th)	-	2.5 (117 th)	2.1 (144 th)	3.2 (78 th)
2006	163	3.3 (70 th)	2.0 (156 th)	6.0 (32 nd)	2.5 (121 st)	2.2 (142 nd)	3.1 (84 th)
2007	180	3.5 (72 th)	2.0 (162 nd)	5.0 (46 th)	2.5 (131 st)	2.4 (138 th)	3.2 (94 th)
2008	180	3.4 (85 th)	2.1 (147 th)	5.2 (45 th)	2.7 (121 st)	2.5 (134 th)	3.2 (92 nd)

HDI value	Life expectancy at birth (years)	Adult literacy rate (% ages 15 and above)	Combined primary, secondary and tertiary gross enrolment ratio(%)	GDP per capita (PPP US\$)
1. Iceland (0.968)	1. Japan (82.4)	1. Georgia (100.0)	1. Australia (114.2)	1. Luxembourg (77,089)
130. Congo (0.619)	125. Pakistan (64.9)	116. Angola (67.4)	132. Lesotho (61.5)	124. Cape Verde (2,833)
131. Bhutan (0.613)	126. Comoros (64.5)	117. Congo (Democratic Republic of the)(67.2)	133. Trinidad and Tobago (61.1)	125. Guyana (2,782)
132. India (0.609)	127. India (64.1)	118. India (65.2)	134. India (61.0)	126. India (2,489)
133. Lao People's Democratic Republic (0.608)	128. Lao People's Democratic Republic (63.7)	119. Rwanda (64.9)	135. Nepal (60.8)	127. Nicaragua (2,441)
134. Solomon Islands (0.591)	129. Mauritania (63.6)	120. Ghana (64.2)	136. Swaziland (60.1)	128. Moldova (2,396)
179. Sierra Leone (0.329)	179. Swaziland (40.2)	147. Mali (22.9)	179. Djibouti (25.5)	178. Congo (Democratic Republic of the) (281)

NB: Changes in HDI values and ranks between two reports result from revisions to data for each of the HDI's three components (4 indicators) as well as real changes in the level of human development in different countries. The data revisions this year – especially of the GDP per capita (PPP US\$) series – have resulted in more substantial apparent movements in the HDI than is normally the case between successive publications. For these reasons, HDI values and rankings are not comparable across different publications. The UNDP report, released on October 5, 2009, shows that the quality of life in India continues to be appalling and the country has slipped to 134 out of 182 countries surveyed. In the previous HDI, published for 2007 and 2008 together, India ranked 128. However, Dr Montek Singh Ahluwalia, Deputy Chairman of the Planning Commission, has strongly reacted at the accuracy of the report. In the neighbourhood, China, Sri Lanka and Bhutan ranked higher than India at 92, 102 and 132, respectively, while Pakistan at 141, Nepal at 144 and Bangladesh at 146 rank lower.

Highlights of India Corruption Study - 2008 (released by Transparency Int'l India)

About one-third of BPL households, across the country paid bribe in the last one year to avail one or more of the eleven public services covered in the study. It shows that the poor are not spared even in the case of targeted programmes.

The percentage of BPL households, who paid bribes, ranges from 3.4 in the case of School Education to as high as 48 in the case of Police Service. About four per cent used a “contact” in the previous year to avail the services such as PDS, School Education, and Banking; and as high as 10 per cent in the case of Housing and Land Records/Registration.

The fact that most of the poor who claimed to have paid bribe - did so directly to one or the other functionary. This lends strength to the perception that the poor are not a priority even in the case of some of the programmes designed for them.

Procedural delays are the other reasons that make BPL households vulnerable to paying bribe or depriving them from availing the service. There is hardly any evidence in this study that the Information Technology or e-governance initiatives taken on a large scale in different States, involving some of the services, made much difference in the levels of perception about corruption or even actual experience.

Police and Land Records/ Registration services stand out for their “alarming level” of corruption.

As regards the relative position of States on corruption, Assam, J & K, Bihar, Madhya Pradesh and Uttar Pradesh have

an “alarming level” of corruption, while Himachal Pradesh, Uttaranchal, Delhi and Punjab have “moderate level”.

The important fact is that the poor deserves better attention in getting access to public services particularly some of the targeted programmes meant specially for them, than they seem to be getting now.

Despite claims and some initiatives for redressal of complaints in services like Police, they have not helped either in reducing perceptions nor experiences of BPL households. However, in the case of Schools, and Banking Services some dent seems to have been made.

Overall, a higher percentage of BPL households, who tried to avail Police, Land Records & Registration and Housing Services in particular, found that corruption had increased.