Corruption and Economic Development: Right to Information as a remedy

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Abstract

This paper is aimed at giving an exposition of how corruption is an impediment in economic development, especially with regard to developing economies like India. Thereafter, the paper focuses on analyzing the role of public access to information in combating corruption. Special emphasis is paid to the struggle for right to information in India. To illustrate the efficacy of this tool, we also focus on various case-studies and methods with which this right has been used effectively. Finally, a brief mention is made of the challenges ahead in tackling corruption and in the use of the right to information.

February 2006

This paper was prepared for presentation at the Third South Asian Economics Students Meet, to be held in the University of Dhaka, Dhaka, Bangladesh from 10th – 12th March, 2006. An undergraduate paper, it can only serve as an introduction to the issue. Interested readers are requested to please refer to the papers/articles in the references; much of the narrative has been borrowed from these references and this paper should only be considered as a literature review.

I am thankful to the People’s Action for Employment Guarantee and friends from Mazdoor Kisan Shakti Sangathan, Rajasthan for having helped me understand the relevance of the right to information. Any mistakes are my own. Please address any comments to abhijeetsingh1@gmail.com.
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INTRODUCTION

Corruption is neither a new phenomenon nor a localized one. The aim of this paper is to give a clear exposition of the negative role played by corruption in the economy and then move on to talk of a possible tool for tackling it i.e. the people’s right to information.

The paper is structured in the following way. In the first section, the discussion centers round the prevalence of corruption in India as well as the detrimental effect it has had on the social and economic fabric of the country.

The second section moves into the area of trying to find a solution to the problem at hand and focuses on information as a tool for tackling it. In this context, a discussion of the concept of social audit, role of media and public hearings is carried out. Having established the bona fides of public access to information as a tool to fight corruption, we give a brief history of the people’s campaign for the right to information.

The third section tries to give a representative selection of case studies to highlight the efficiency of information access in combating corruption and unaccountability. Thus we deal with several examples of the successful unearthing corruption in development works in rural India public food distribution in cities, unmerited subsidies given in Mumbai and other examples.

Finally we conclude with a brief summary of the preceding discussion, an overview of the challenges ahead and the possible applicability of the tool in other countries.

Appendix A is a brief synopsis of the Right to Information Act 2005.

2. Corruption in the Indian context

Before we move on to any discussion on corruption, it is necessary that we understand as a preliminary, what is meant by corruption. Although a concept seemingly well understood by most people, the broad meaning of corruption is hard to formalize, given the myriad ways in which it manifests itself. For the purpose of the discussion following, we shall interpret corruption in the context of embezzlement of funds, taking administrative decisions based on the influence of bribes and willful neglect of procedures to accommodate vested interests. This is by no means a complete or exhaustive definition but it sums up the most common manifestations of corruption and will suffice for our purposes.
In the following sub-section we shall discuss how corruption is a major impediment to development, especially in the context of a developing country such as India.

2.1 Corruption as an impediment to development

One of the key questions that we need to answer today is does corruption impede the development process and how?

Corruption hinders development through various mechanisms. Firstly corruption impedes development by diverting scarce resources away from the purpose for which they were allocated. This is obvious if one were only to recall the innumerable times one hears of massive embezzlement in projects for road building, infrastructure, drought relief and various government schemes. In countries such as India this is extremely detrimental to the country’s interests since a lot of the impetus for development needs to come from the government which is perpetually cash stopped. In this scenario a diversion of funds to private pockets can stop the entire progress off development in a sector.

Secondly, corruption leads to inappropriate agents gaining control of institutions within the economy. This also leads to the entry of an element of unfairness and opacity in transactions within the economy. All of this of course is accompanied by a corresponding of loss of efficiency. For example, loss in this way was particularly large in the time when licenses and permits were required for most economic activities. Often undeserving candidates would be issued the license or a near monopoly instituted at great expense to the economy. Similar losses are encountered when contracts are wrongfully awarded to undeserving parties.

A third way in which corruption hurts the economy is by hitting at the credibility of the system and breaking down of the procedures for making decisions. The administrative process, often laid out with best intentions, is brazenly by passed and norms flouted. This stifles virtue and individual entrepreneurship since private players without the resources to buy their way are discouraged from ventures. This effect, though had to quantify, may be very important in actual fact.

Corruption is also extreme harmful because it is self-perpetuating. A system riddled with corruption draws people ready to use corrupt means to gain their ends. These then form a large part of the people within the administration for work. Also then the systems they institute are designed to give them leverage for maximum gains. In a situation as in India where the government and the civil administration play such a
central part in the development process, this nefarious nexus can be particularly damaging.

The vicious circle of corruption is even more clearly illustrated if we take into account the political system of the country. Given the fact that it is elected representatives who make the most crucial decisions on India’s economic policy and development pattern, the fact that they may be drawn into this entire circle, as indeed many have been, is worrying enough. If corruption is systemized and only corrupt people wish to enter the field, then policy is all the more susceptible to corrupt interests. Although I wish the worry was unfounded, the facts give an altogether more distressing picture.

Thus we see that corruption rather than being the ‘grease’ for the economy is likely to be an unmitigated evil and may have a direct bearing on hampering development.

3. Information as a tool and the people’s campaign

Given the fact that we have clearly identified corruption as an obstacle to progress, it is incumbent on us to discuss possible solutions to the problem. In this section, we shall develop an argument which posits information in the public domain as being in itself a powerful tool for combating corruption. In this context we shall also speak of related tools of social audit, public hearings and the role of the media. Thus this section is clearly devoted to establishing the key role that public awareness and transparency can play in the context of fighting corruption. Once this role is established, we shall launch into a brief discussion on people’s movement to secure the right to information in India.

3.1 Information as a tool

Corruption in public affairs often trusts in the opacity of procedures and the establishment to shield it. Thus perhaps the fight against corruption necessarily needs to begin with obtaining complete, reliable and provable information about the specific details of the corruption involved.

Given the detailed administrative procedures that accompany any act of the government, it is widely known that any corruption must necessarily have left a paper trail of discrepancies. Yet it is in the nature of bureaucracy that these trails should be kept out of reach of any persons except insiders who would be unlikely to ever publicize them. On the other hand, for the public to show that embezzlement or corruption has taken place, it is often necessary to quote the very file that the bureaucracy chooses to hide.
Public access to information is important in the following ways. Firstly, it brings about an awareness of the corruption extant. While many members of the public may believe rightly that corruption exists in the administration, few if any, would know the specifics involved. Yet it is these specifics that matter in bringing corruption to light. Also, since corruption deprives members of the public of their basic entitlements information is necessary for them to secure what is rightfully theirs.

It is in this context that Amitabh Mukhopadhyay writes “….. the right to information was not just a component of people’s right to freedom of speech and expression but was also a part of their fundamental right to life and liberty. It was needed to obtain the basic living wage, entitlement under the ratio quote at the fair price shops, the medicines the poor ought to receive in public health centers and for contending with coercive abuse by the police.”

He further gives an interesting example of how the lack of information can be debilitating. Women in famine relief works were not paid their minimum wages on grounds that they did not work. The measurement books kept by engineers of the PWD had simply penned off their labour. The workers asked to see the records. “Administrators, who quoted the Official Secrets Act of 1923, told them they could not see the records.”

In the gathering of information relating to development works and detection of corruption therein, a powerful weapon is social audit. Social audit refers to collection of official data and comparing it with actual progress of work. For instance, a social auditor may take the progress report or measurement book for a development work and compare it with the on ground construction thus highlighting discrepancies, if any, between the official version and actual fact. Social audit can be carried out by any interested members of the public. Often social audits turn up interesting results. For example, a survey of the National Food for work programme in six districts across the country in May-June 2005 threw up major discrepancies in the social audit of muster rolls (MRs). Where in some cases, the MRs were incorrectly filled, in other cases they were just not filled at all. It is also worth nothing that in all states surveyed only in Rajasthan were MRs accurate. Rajasthan was the only state with an effective RTI law.

Once corruption has been detected, the culprits can often be made to remedy their errors through building social pressure as well as a technique of naming and shaming.

An effective weapon in this case has been the weapon of Jan Sunwai i.e. public hearings. These public hearings lay bare the irregularities in government work in front of the people. The resultant public pressure after such hearings has made sarpanches pay up the embezzled amount.

In this context, the role of media is also very important. The media today is more powerful and effective in naming and shaming than any other institution or pressure group. It also serves the crucial function, besides that of building pressure, of bringing this corruption to the notice of the concerned higher authorities making it hard for them to not proceed against the corrupt. Secondly, media itself can use RTI to unearth massive corruption. Given the long tradition of the Indian media in digging out corruption scans, this hope is not misplaced.

Lastly, information helps people become aware of their entitlements. Most government schemes fail to meet targets because those who are the intended beneficiaries of the projects are not aware of their entitlements, making it easier for govt. officials to fudge the procedures and make private gains.

3.2 People’s Struggle for Right to information

Information in India, especially with regard to the government’s development initiatives, has traditionally been the preserve of the few. The monopoly on information was put in place by the British administration to aid and abet its own colonial objectives. Independent India inherited the official mechanism of keeping the people in the dark and the same bureaucratic framework which had kept that system going for so long. Periodic demands for greater access to government information were of course raised. After the Sino-Indian war of 1962, question about India’s lack of preparedness for war were raised. Civil unrest and the Naxalite insurgency of the late 1960s and 1970s brought issues of human rights and habeas corpus, which again led to a demand for transparency.

Despite all this, nothing much happened till the 1980s when environmental groups specifically Kalpavriksha petitioned the Supreme Court for right to information with regard to environmental threats based on the constitutional guarantee of the right to life. The SC was sympathetic and passed orders in various cases but no generic orders were passed.

In the 1990s the struggle for RTI heated up as movements across the country took up the issue. The most prominent grassroots movement was the Mazdoor Kisan Shakti Sangathan (MKSS), pioneers in the field of using jan sunwais as an effective tool.
Partly as a result of their pressure, Chief Minister of Rajasthan Mr. Bhairon Singh Shekhawat declared in his 1995 budget speech that records of development expenditure on all panchayati works would be made available for photocopying at a nominal fee. When this promise was not fulfilled a year later, a dharna was organized by MKSS at Beawar and Jaipur, getting many partial successes in the struggle. The struggle continued over the next few years till in 2002 Rajasthan enacted a state right to Information Act.

In Maharashtra, veteran social activist Anna Hazare through Gandhian tactics forced the Maharashtra Govt. to enact a RTI law in 2000. However this act was so watered down that he had to renew his struggle and have the 2000 Act repealed and a stronger and more comprehensive act enacted in 2003.

In 2005, the UPA government in the centre proposed a Bill on Right and Information in Parliament. The draft had been prepared by the National Advisory Council through the efforts of its members including Mrs. Aruna Roy of the MKSS and Prof. Jean Dreze, a noted economist. The Act was notified in October 2005 and is now in place across the country².

4. Case Studies

This section aims at highlighting some of the uses that RTI can be put to by giving examples from areas where it has been used with effect. Most of these cases were unearthed using state RTI laws as the national law is at present too new; most provisions and scope of the national and state level acts are, however, similar. These cases are at best indicative of the ways in which RTI can be effectively used. Put to imaginative use, the broad scope of the Act should make it applicable to an even wider range of issues.

Some of the greatest successes of the right to information have been in procuring the welfare entitlements of the people. In this regard, the work by NGO Parivartan in Delhi with regard to ration shops is praiseworthy. Arvind Kejriwal of Parivartan gives an example ----- “Triveni is a poor woman who lives in a slum colony in East Delhi. She holds an Antyodaya card issued by the government for the poorest of the poor. However, it is not easy to buy from a ration shop. In 2003, Triveni filed an application

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under RTI Act asking for details of ration issued to her as per records...... After a month she received a reply stating she had been issued 25 kgs of wheat at Rs. 2 per kg and 10 kgs of rice at Rs. 3 per kg every month in the last three months. The cash memos showed thumb impressions having been made in her name. Triveni is literate. She never puts a thumb impression and always signs. Naturally the thumb impressions ……… were fake.”

In the aftermath of the detection, “the shopkeeper came to her house and pleaded with her not to take any action, promising to mend his ways. Since then, Triveni has got the right amount of ration at the right price for the last year and a half. In Rajasthan, the MKSS has unearthed massive embezzlement in public hearings to pressurize the corrupt officials. In many cases, they have even succeeded in making the panchayat authorities reimburse the embezzled money.

Innovative use has also been made of the right to information by Shailesh Gandhi in Mumbai who has been using it to unearth what he calls “the brazen subsidy being given to the rich and elite.” The scale of the collusion unearthed is best judged in his own words – “the total land given by BMC and the various collectors of Mumbai is 20.5 million sq. m. for an annual lease rent of Rs. 285 million. If we take an approximate average value of land at Rs. 22000 per sq. mts. (about Rs. 2000/- sq. ft.) in the whole of Mumbai and accept that a lease rent of about 8% of the market value should be changed, the annual loss to citizens comes to Rs. 35000 million..... To put this in perspective, Mumbai’s pavements are not going to be repaired since the World Bank has refused to give a loan of Rs. 150 million.”

There is no authoritative estimate of the number of executions in India after independence. Executions are carried out in prisons in various states in India since the subject falls within the jurisdiction of the state govt. In Delhi, PUDR had filed an application under the Delhi RTI Act, 2001 to collect information on executions that have taken place in the Tihar (Central) Prison in Delhi since independence. In his reply dated 12 May 05 the DIG (Prisons) has refused to provide the information on the grounds that “some of the persons who have been executed had been convicted for various offences having prejudicial effect on the sovereignty and integrity of India and security of NCT of Delhi and international relations and could lead to an incitement of

Clearly, in this case the prison authorities have hidden behind the exemptions but this denial has been appealed against. This example is important to release that unless we press for more and more information we will end up getting less and less.

This list of examples is certainly not exhaustive. There have been many other instances worth recounting but these should serve the purpose of indicating the diversity of issues which can be addressed using this tool. Having indicated that, we should now move on to our conclusions.

5. Conclusion

The aims of this paper, as stated at the very onset, was to establish the negative role played by corruption in the economy and then analyze the role that public access to information can have in combating it. To fulfill this objective, we analyzed the role of corruption in development in the Indian context, the role of information in combating it, the RTI Act 2005 and specific cases of application of the right. Now we should put down the main conclusion of the discussion.

The first conclusion we reached was that corruption is definitely a roadblock for development. Then we moved on to an analysis of the role of information in combating corruption and arrived at our second conclusion, namely, that public access to information could be a weapon in the fight against corruption. This conclusion was further buttressed by our brief study of the campaign for RTI and the case studies. Having talked of the above, let us just look at the challenges ahead. The most formidable challenge is to get people to use their right. Without this, the right would be yet another redundant paper tiger. The other challenge is to institute a system for effective redressal of complaints about corruption, for there is only so far that exposing corruption can take us. Ultimately, punitive action is required.

In conclusion, all I’d like to state is that when governments claiming the people’s mandate keep them in the dark, it is necessary for the people to organize and press for their right to information. Hopefully this struggle will see us move into an era of transparent governance.

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