



Anti-Corruption Strategies

Why in News

Recently, the **Lokpal of India** organized a Webinar on '**Bringing Synergies in Anti-Corruption Strategies**'.

Key Points

- **Corruption** can be defined as the **abuse of entrusted power for private gain**. It can impact a nation's development in various ways.
- **Impact of Corruption:**
 - **Political Costs:** The political costs of corruption are manifested in weakened public trust in political institutions, reduced political participation, perversion of the electoral process, restricted political choices available to citizens and loss of legitimacy of the democratic system.
 - **Economic Costs:** Corruption reduces economic efficiency by misallocation of resources in favour of **rent seeking** activities, increasing the cost of public transactions, acting as an additional tax on business thereby reducing investment, reducing genuine business competition.

Rent Seeking

- It is a concept in public choice theory as well as in economics, that involves seeking to increase one's share of existing wealth without creating new wealth.
- It results in reduced economic efficiency through misallocation of resources, reduced wealth-creation, lost government revenue, heightened income inequality, and potential national decline.
- **Social Costs:** Corruption distorts the value systems and wrongly attaches elevated status to occupations that have rent seeking opportunities. This results in a disillusioned public, a weak civil society, which attracts unscrupulous leaders to political life.
- **Environmental Costs:** Environmentally devastating projects are given preference in funding, because they are easy targets for siphoning off public money into private pockets.
- **Issues of national security:** Corruption within security agencies can lead to a threat to national security, including through distortion of procurement, recruitment of ineligible persons, providing an easy route for smuggling of weapons and terrorist elements into the country and money laundering.
- **Legal Framework for Fighting Corruption:**
 - [Prevention of Corruption Act, 1988](#) provides for penalties in relation to corruption by public servants and also for those who are involved in the abetment of an act of corruption.
 - Amendment of 2018 criminalised both bribe-taking by public servants as well as bribe giving by any person.
 - [The Prevention of Money Laundering Act, 2002](#) aims to prevent instances of money laundering and prohibits use of the 'proceeds of crime' in India.

- The offence of money laundering prescribes strict punishment, including imprisonment of up to 10 years and the attachment of property of accused persons (even at a preliminary stage of investigation and not necessarily after conviction).
- **The Companies Act, 2013** provides for corporate governance and prevention of corruption and fraud in the corporate sector. The term 'fraud' has been given a broad definition and is a criminal offence under the Companies Act.
 - In cases involving fraud specifically, the **Serious Frauds Investigation Office (SFIO)** has been set up under the Ministry of Corporate Affairs, which is responsible for dealing with white collar crimes and offences in companies.
 - The SFIO conducts investigation under the provisions of the Companies Act.
- **The Indian Penal Code, 1860** sets out provisions which can be interpreted to cover bribery and fraud matters, including offences relating to criminal breach of trust and cheating.
- **The Foreign Contribution (Regulation) Act, 2010** regulates the acceptance and use of foreign contributions and hospitality by individuals and corporations.
 - Prior registration or prior approval of the Ministry of Home Affairs is required for receipt of foreign contributions and in the absence of such registration or approval, receipt of foreign contributions may be considered illegal.

▪ **Regulatory Framework:**

- **The Lokpal and Lokayuktas Act, 2013** provides for an establishment of an ombudsman for the central and state governments (Lokpal and Lokayuktas, respectively).
 - These bodies are required to act independently from the government and have been empowered to investigate allegations of corruption against public servants, which include the prime minister and other ministers.
- The **Central Vigilance Commission** though created in 1964, became an independent statutory body only in 2003 by an Act of Parliament.
 - Its mandate is to oversee the vigilance administration and to advise and assist the executive in matters relating to corruption.

Lokpal and Lokayukta

- **The Lokpal and Lokayukta Act, 2013** provided for the establishment of Lokpal for the Union and Lokayukta for States.
 - The Bill was passed in 2013 in both the Houses of Parliament and came into force on 16th January 2014.
- These institutions are **statutory bodies** without any constitutional status.
- They perform the function of an "**ombudsman**" and inquire into allegations of corruption against certain public functionaries and for related matters.
- The term Lokpal and Lokayukta were coined by Dr L. M. Singhvi.
- **Composition:**
 - Lokpal is a **multi-member body**, that consists of one chairperson and a maximum of 8 members.
 - Out of the maximum eight members, half to be judicial members and minimum 50% of the Members will be from SC/ ST/ OBC/ Minorities and women.
 - The Chairperson of the Lokpal should be either the former Chief Justice of India or the former Judge of Supreme Court or an eminent person with impeccable integrity and outstanding ability.
- The **term of office** for Lokpal Chairman and Members is 5 years or till the age of 70 years.
- **Jurisdiction of Lokpal** includes Prime Minister, Ministers, members of Parliament, Groups A, B, C and D officers and officials of Central Government.

- However, the jurisdiction of the Lokpal included the Prime Minister except on allegations of corruption relating to international relations, security, the public order, atomic energy and space.
- The Lokpal does not have jurisdiction over Ministers and MPs in the matter of anything said in Parliament or a vote given there.

Way Forward

- **Strengthen oversight institutions** to ensure resources reach those most in need. Anti-corruption authorities and oversight institutions must have sufficient funds, resources and independence to perform their duties.
- **Publish relevant data and guarantee access to information** to ensure the public receives easy, accessible, timely and meaningful information.
- All agencies should cooperate to eradicate corruption. **Preventive corruption measures** must be appreciated and adopted as **“Prevention is better than cure”**.

Source: PIB

PDF Reference URL: <https://www.drishtiias.com/printpdf/anti-corruption-strategies>

