

Corruption Free India From Red Tape to Red Carpet: Mission of New India@2022

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ABSTRACT

India has been ranked 81st in the global corruption perception index for 2017, which named it among the "worst offenders" in terms of press freedom in the Asia Pacific region showing the low efficiency of service delivery and poor performance of government. But at the domestic level the administration from the past two decades it has gone through various revolutionary reforms, to make the system better for governance with more transparency and accountability. The government has taken various steps to clean the image of India at international level from the stigma of corruption. New India @2022 document presented by Niti Aayog has envisaged a new India by 2022 which will be free from poverty, dirt, corruption, terrorism etc. Our prime minister himself addressed the various forums and summits to raise his voice for corruption free India. This paper tries to analyze the various reforms introduced from time to time to clampdown corruption.

Keywords: Corruption, Transparency, Accountability, Reforms and e-Governance.

Introduction

Tackling corruption in India is a massive task, but the enormity of the challenge should not dampen reformers' spirits. The stakes are high—left unchecked, corruption will hamper India's ability to grow its economy and to provide opportunities for its young population. Worse, corruption also risks diminishing the faith ordinary Indians have in the rule of law and the democratic system; such distrust can trigger a negative spiral as even honest reform initiatives are viewed with suspicion and stymied. Reformers should take comfort in knowing that they are not forging a new path; the literature is replete with examples of effective, inexpensive and logistically simple solutions. India stands to gain immensely from combining these fixes with the more arduous task of strengthening important institutions and State capabilities. While the ability of these solutions to circumvent weak public sector institutions has its limits, the potential gains from reform suggest that such an agenda should be pursued with urgency.

Major Scams in India: Some of them major scams are following

- Coal Allocation Scam (Coalgate): Rs 186,000 Crore
- Satyam (2009)
- 2 G Spectrum Scam (Cost – 176000 Crores)
- Saradha Chit Fund Scam 2060 – 2400 Cr
- Punjab national bank Rs 11,300 Crore Scam
- 3 Commonwealth Games (Cwg) Scam (Cost – 70000 Crores)
- Fodder Scam (Cost – 950 Crores)

- Satyam Scam (Cost – 14000 Crores)

GOVERNMENTAL INITIATIVES TO PROMOTE THE FIGHT AGAINST CORRUPTION

E-Governance

- Aadhaar: largest biometric identification system in the world. 118 crores Aadhaar Cards issued
- The Government e-Market place has introduced transparency in procurement

The **Black Money (Undisclosed Foreign Income and Assets)** and Imposition of Tax Act, 2015' came into force on July 1, 2015, to specifically and more effectively deal with undisclosed income.

For the investigation of Panama Paper leaks, the government brought in Constitution of Multi-Agency Group (MAG) with officers of the Central Board of Direct Taxes (CBDT), Reserve Bank of India (RBI), **Enforcement Directorate (ED)** and Financial Intelligence Unit (FIU).

India has been collaborating with foreign governments to facilitate and expand the exchange of information. For this, **the Double Taxation Avoidance Agreements (DTAAs)** has been signed with tax havens like Mauritius and Cyprus.

Global efforts to combat tax evasion and black money were taken by joining the Multilateral Competent Authority Agreement in respect of Automatic Exchange of Information (AEOI) and having an information sharing arrangement with the US under its **Foreign Account Tax Compliance Act (FATCA)**. The government is also trying to automate information exchange with several countries, including Switzerland, to clamp down on black money. For this, so far, both India and

Switzerland have agreed to speed up work on the **Automatic Exchange of Information (AEOI)**. An information technology based '**Project Insight**' was introduced by the Income Tax Department to strengthen the non-intrusive information-driven approach for improving tax compliance and effective utilization of available information.

Direct Benefit Transfer

- Aapka Adhikar, Apne Dwar: total savings of Rs. 57,000 crores with cumulative benefit transfer of more than Rs. 2 lakh crores till date
- Jan Dhan accounts - 30.3 crores beneficiaries as of September 2017

Constitution of SIT on Black Money

The SIT detected black money worth more than Rs. 70,000 crore, including 16,000 thousand rupees hidden by Indians in off shore accounts. In its interim report, SIT made several recommendations, many of which have been accepted by government.

Declaration of Black Money

The Income Declaration Scheme, 2016 was announced recently, which is like a one-time amnesty-like compliance window for citizens to declare their undisclosed income. Under the scheme, persons can declare their undisclosed income and pay tax, surcharge and penalty amounting to 45% of the total undisclosed income. Here, the income declared will be taxed at 30% plus a 'Krishi Kalyan Cess' of 25% on the taxes payable and a penalty at the rate of 25% of the taxes payable, amounting to 45% of the income declared under the scheme, a DNA report said. Government gave a window to come clean, urging violators to pay taxes on hidden money with a penalty of just 25%. It also assured no legal action against them.

Goods & Services Tax

- One of the biggest tax reforms that is helping formalize Indian businesses
- GSTN (Goods and Service Tax Network) collecting significant data to enable analytics on tax filings

Demonetization

On November 8, 2016, Prime Minister Modi took the historic step of demonetization. It was the biggest blow to black money hoarders across the country. Black money stashed in vaults was brought into the mainstream. A parallel banking system run by moneylenders was also completely demolished.

Linking bank accounts with Aadhaar and PAN

Government launched the plan to link bank accounts with Aadhaar and PAN. Income tax department got huge success in getting hold of fake

or Ghost accounts. It also made it easy to track big and suspicious transactions through bank accounts.

Demonetization

- 56 lakh new taxpayers added
- Undisclosed income of Rs. 29,123 crore detected & admitted
- 3 lakh shell companies uncovered & 2.1 lakh shell companies deregistered

Benami Transactions (Prohibition) Amendment Act, 2016

Benami Transactions (Prohibition) Amendment Act, 2016 was implemented on November 1 last year. Government was able to trace numerous Benami properties. People used to hedge black money in Benami property while taking advantage of shortcomings in this Act. After amendment, Government tightened the noose on unscrupulous elements.

Double Tax Avoidance Agreement (DTAA)

Tax evaders, used weak laws to stash black money in foreign accounts. Government has lost tax revenues of thousands of crores of rupees on earnings by Indians on foreign soil. With sustained efforts, Government made a treaty with Tax havens like Switzerland, Singapore, Mauritius and Panama, which have agreed to share suspicious banking transactions of Indians on real time basis.

Action against Shell Companies

Acting against shell companies, Government cancelled registration of over two lakh companies. The shell companies were suspected of money laundering activities. With constant efforts Government, has not only put in place a system to block corruption and black money, but has also created an environment that makes it almost impossible.

Right to Information Act: Bringing Information to the Citizens

Right to Information Act 2005 mandates timely response to citizen requests for government information. It is an initiative taken by Department of Personnel and Training, Ministry of Personnel, Public Grievances and Pensions to provide a- RTI Portal Gateway to the citizens for quick search of information on the details of first Appellate Authorities, PIOs etc. amongst others, besides access to RTI related information / disclosures published on the web by various Public Authorities under the government of India as well as the State Governments. The basic object of the Right to Information Act is to empower the citizens, promote transparency and accountability in the working of the Government, contain corruption, and make our democracy work for the people in real sense. The Act is a big step towards making the

citizens informed about the activities of the Government.

Electoral Bonds: Electoral finance reform around the world has attempted to balance two objectives: remove black money and under-the-table contributions from the system and increase transparency so that citizens can see where the money is coming from and where it's going. In India electoral bonds are the new buzzword for transparent political funding.

“An electoral bond is designed to be a bearer instrument like a Promissory Note — in effect, it will be similar to a bank note that is payable to the bearer on demand and free of interest. It can be purchased by any citizen of India or a body incorporated in India.

The bonds will be issued in multiples of ₹1,000, ₹10,000, ₹1 lakh, ₹10 lakh and ₹1 crores and will be available at specified branches of State Bank of India. They can be bought by the donor with a KYC-compliant account. Donors can donate the bonds to their party of choice which can then be cashed in via the party's verified account within 15 days”.

SUGGESTIONS

First, Studies in India show that increasing the level of transparency about government performance produces the greatest returns when it is accompanied by reforms that enhance the bargaining power of ordinary citizens, improve coordination and collective action, or strengthen the State's ability to punish impunity.

Second, technological approaches to tackling corruption are appealing but face their own set of challenges. *Technological innovations* still rely on higher levels of government to monitor and enforce punishments for malfeasance, which they may be loathe to do for political economy reasons. Technology based solutions work best with concerted institutional support, and when they decentralize enforcement, circumvent middlemen bureaucrats, and empower ordinary citizens.

Third, political reform is perhaps the most straightforward component of anti-corruption policy. In fact, a wide-ranging and sensible legislative agenda to reduce corruption already exists. With an assist from the government, Parliament should pursue it with greater vigour. The Election Commission has succeeded in minimizing the electoral fraud, but it has struggled to contain the flow of dirty money in politics. Amending the body's legal authorities so it can insist on absolute *transparency for political*

contributions and sanction would-be violators is an easy first step.

Fourth, as reformers and legislators debate new ideas to counter corruption, they should bear in mind that progress is only possible if the effort to pass new laws is accompanied by an equal effort to repeal outdated laws. It is both natural and politically convenient for legislators to focus on creating new anti-corruption regimes, but neglecting the less flashy task of streamlining India's legal regime is short-sighted. The complexity and sheer volume of laws in India make both compliance and enforcement needlessly difficult. Simplifying the legal code may also have anti-corruption value beyond increasing enforcement capacity. A simpler, more logical legal regime would reduce corrupt incentives.

Finally, circumventing weak institutions may be necessary to curb corruption today, but it is not a sustainable or even desirable state of affairs in the long term. While the local state has often preyed on the '*Aam Aadmi*' rather than advocated on its behalf, anticorruption efforts can only achieve a limited amount without engaging and strengthening the state. At the end of the day, even the most immaculate laws require competent State institutions to enforce them and effective judiciaries to adjudicate disputes. The *Right to Information* law gives average Indians greater recourse to redressing grievances than ever before, but if government information officers remain in short supply and appeals processes remain backlogged, empowerment could quickly turn into disenchantment.

Conclusion

Corruption free India is a motto of NewIndia@2022 which can only be achieved when efforts are taken not only from Government side but with the collaboration of people to contribute towards the cause. India can prosper and flourish only when this problem is uprooted from the deep.

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