

# 9

## Evolution of Corruption in Our Society

*Government of India runs the country on files.*

*The inspector raj is like the rodents in our paddy field or termites in our cupboard.*

*Stock reply, file is not traceable, come tomorrow.*

*Dealing clerk is on leave, come after two days.*

### 9.1 Checks, controls and enforcements

- We began our post-independence era with checks and controls (rationing, licensing and permits) as part of the system we inherited from our predecessors. Some may perhaps recall that there was a control on food-grains soon after independence and the same was lifted promptly on the intervention of a few leaders, who realised that checks and controls bred corruption. But it had not to be in the face of stiff bureaucracy that had started showing its teeth right from its inception. Checks, controls and enforcements became their basic tools of administration. They would undermine all in the name of 'system' be it an individual, professional, trader, businessman or industrialist. All were subject to rigging and humiliation. There was no difference in collecting land revenue from the poor peasants then or collecting of tax or checking books of accounts of the affluent society now. The philosophy of enforcement for the people of the land was one more harrowing acquisition out of indignation from the British system of governance. Many of the laws and rules framed for the public were half-cocked and cunning and contained anomalies (either by design or by ignorance) and were enforced to give absolute power to the bureaucracy. It was a whip of mistrust and insult that an individual was made to accept. The people gradually lost faith

and loyalty in their governance. And this played the required game plan for the bureaucracy to maintain distance with the public. The checks, controls and unscrupulous laws and regulations gave birth to red-tapism, delays and corruption. Enforcement brought contempt. Elite were rendered smaller in stature and existence. Those who were more practical learned to work in alliance with the system in the changed scenario and reaped fortunes. They were able to find short cut methods to flout the same rules and regulations that coerced others to their knees. Corruption set in and got assimilated into the entire system like a wild fire. The system evolved such checks and controls that if one obeyed them he was not able to function, and if not, he was subject to prosecution. Every one thus looked for a short cut to circumvent such a rigmarole. It culminated in breeding manipulations and underhand dealings. The system wanted this because it benefitted them and helped them retain their supremacy. This is how the nation's money went to individuals and black economy soared. **While the nation bled, polity and bureaucracy accumulated wealth. The public got busy in circumventing the laws and arranging money for the system. Neither the industries grew nor the industrialists, but all in the system feasted and fattened.** Bureaucracy had tasted the allurements of power. Today corruption is no shame and everything has a price. *Tehelka* live video tapes have proved the point. Those who are caught are called corrupt while all bathe in the same tub. Welfare of the country slid into oblivion and the people who lived in poverty before independence live in destitution now.

**Since almost all in the system are benefited, no one questions the other. It is a total nexus top to bottom. Even the peon makes an extra buck from the visitors. Everybody has his value, lest your file gets misplaced or its papers are lost. One who locks the almirah, or the receipt clerk who receives the mail all are important. A missing paper, and your case can be ruined. And look at the hierarchy. You have to please all. God forbid if unfortunately one gets entangled with any government department, his factory may close but papers which maybe for loan, subsidy, incentive, drawback, licence, a sanction, payment collection, or a case of routine nature at ST, IT, ED or custom etc. will not move. It is no exaggeration that more than what one earns one pays to the parasites in the system.** Besides this, one also wastes time which he can utilise in attending to many other jobs, or taking care of his industry, its management and business needs. Those who survive

are lucky. **One may wonder how much useful time of entrepreneurs, professionals and businessmen is wasted every day on such extraneous matters. One should not forget, they are the bread earners for many, and support the Indian economy, besides working and earning for the kleptocracy.**

### Corollary

1. All this exercise earns much less money for the exchequer than the expenses it incurs on its overheads in collecting it (salaries, perks, pensions, offices and other overheads). Still the actual wealth, the cream of the nation is collected by the staff working for the system as their personal riches. The country is now pauper but they are the wealthiest people on our soil (Chapter 6).

2. **No society or country can ever prosper where useful time, energy and money of those who can deliver goes waste in expediting petty routine matters.**

- To curb the private sector, they kept evolving new methods and means to satisfy their lust. Some glaring examples :
  - Curb on salaries of executives and directors of a company (1970's). It was countered by the business houses by paying it in shape of perks and cash.
  - Curb on travelling expenses.
  - Curb on marketing and entertainment expenses.
  - Guest Control Act (1960s) and
  - Income tax up to 97% in addition to wealth tax and together it may exceed 100% of the income.

To counter all this was to pay or earn in cash and generate more black money. **This was how people learned to manipulate the ill-conceived controls and took corruption in their stride.** The bureaucracy knowing this well, exploited the industries and business houses and corruption soared. The policies of checks and controls, licensing, quotas, MRTP and DGTD as applicable to the industries that were left open for the private sector, were all carefully designed impediments by the polity and bureaucracy to throttle the private ownership and retard their growth in the name of socialism. In the background was also the cunning thought of keeping the elite under their thumb and proving their superiority and authority over them at every stage. People close to the system and those who had a nexus with them reaped unbound riches at the cost of actual industries. **We still remember how the quotas and licences enriched the government officials and the touts (who ran their industries in their brief cases).** The touts sold quotas and licences to actual users at exorbitant costs. The actual users not having an access to the system

suffered and their industries sulked while a lot of money was transacted between the touts and those in the system. **Now corruption is a part of our national character and a way of life. We are an indifferent society today – callous and self-interested – having long shed our originality.** We shall shed blood and sweat for the nation and take the nation to prosperity, sound like hollow slogans that we chanted in our childhood or in ignorance. **There is a total drift in our thinking and working and welfare of the country is long forgotten. More than the bureaucrats, our leaders of freedom struggle who assumed power but lacked vision and ability to run a nation are responsible for this situation.** These examples are just a peep through our highly kleptocratic<sup>1</sup> and fratricidal<sup>2</sup> system of governance.

Under each government rule and regulation there are a number of laws, by-laws and conditions which the officers and their inspectors would interpret to their advantage. They would make one realise how ill-informed he was and the wrongs he was doing to cheat the nation. All this made a bigger buck for them. **There is no difference between them and the extortionists. One robs at the gun point, the other with his power and authority in the broad day light.** While the extortionist robs only an individual occasionally our bureaucracy and polity have been robbing the whole nation continually, like the invaders of the medieval past.

- Our system has thus devised a strong bureaucracy that has almost paralleled Fascism and Nazism in its authority, approach and methods. The government succeeded in mellowing down the elite in all walks of life. For everything the elite was made to depend upon the government decision. This retarded the progress, killed the initiative but bureaucracy and those at the helm of affairs swaggered and rejoiced with authority. It was not only appropriating entire powers and authority unto them, it was also the evolution of corruption and generation of *black money* in our country on a large scale. It started almost immediately after we pronounced our aims and philosophies in 1950's to construct the nation.

The polity and bureaucracy having tasted the blood soon grew their canine teeth. With time the bureaucracy attained supremacy and

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1. A nation ruled by thieves.

2. One who kills his own people for his own good. Aurangzeb was a fratricide who took his own father prisoner, duped his brothers and killed one to become the emperor of India.

authority and acted with more ferocity. Everybody from the elite, irrespective of his stature in the society looked a pygmy before them. This was also the evolution of partisan attitudes. **Government and the public became two shores of the same river.**

*Too much power and little accountability makes one corrupt. Absolute power corrupts absolutely.*

#### Note

We have given only a general overview of our system. Of course some may be honest and scrupulous. But their gross minority in the system is of little advantage to the nation and its people. Moreover not only honesty, we need people of substance who know their subjects well and have capability to deliver.

- **Under these conditions it is lucrative to align with the parasites in the system and pay them their price, lest one lands up handling show cause notices, their replies, summons and adjudications, tribunals and then courts, and gets lost in the rigmaroles of the cobweb knit for him so carefully by the bureaucracy under the aegis of our own guardians. It is possible that his business is ruined but the cases may never end.** I have suffered such excesses for years. During my days of business, honest payment of taxes would invite a score of objections and I.T., S.T. and Excise departments would harass my company on fraudulent charges.
- And then there were times when rate of taxation was more than the income as noted already (a novel way to achieve socialism) resulting in manipulations and evasions. It is unbelievable but true that our own governments have been so cruel and indifferent to its own people.
- The process of collecting taxes has been so abusive that the tax payer is forced to become unscrupulous and gradually averse to abiding by the law. It is easier and lucrative for him to work outside the law than within the law. The laws themselves are unscrupulous and framed with ulterior motives in mind. Today there is disrespect and a feeling of mistrust on the part of the tax payer for the tax collecting authorities, their staff and the inspectors (and surely *vice versa*). So much so that everybody blames the other and calls the other a cheat. Today more than fair dealings are under-hand dealings in all spheres and walks of life. No wonder, revenue collection by the government is on the decline in absolute terms while expenses of the system are galloping out of bounds (see the perennial and ever-rising government deficits and consequent rising borrowings and debts, Chapter 5).

Most staff at all levels are fattening and enjoying more than their fills. This is a highly volatile situation. To expect that such a system will ever work for the good of its subjects, is making a fool of ourselves.

- By a rough estimate, it may not be an exaggeration to say, that at least 1/3<sup>rd</sup> of the tax collected by the government goes as the personal riches of the parasites handling tax collection while their exorbitant expenses (salaries, overheads and pensions) are met by the government from whatever little they collect. The government staff is the biggest beneficiary of our system. Whatever they collect is their personal enrichment without taxes. Sometimes the money collected from the public is distributed up to the top. More than the evasion by an individual, it is the system that is responsible for compelling a person evade the taxes and pay a bulk of it back to the system by unscrupulous means. To blame an individual for generating *black money* is therefore, unfair and untrue, and one who pronounces so is not conversant with the ground realities of our system. The transactions of underhand money and the wealth that the individuals amass at such collecting offices would put to shame the government earnings and the colossal cost of collecting the same. It is astonishing that none in the system examined this evil in the past 60 years nor has taken corrective steps to amend the same. So much so that even for government lucrative postings, decided at the ministerial level like for police, excise, sales tax, income tax, custom or any other revenue collecting or enforcing department, large money is collected from the contenders themselves. More lucrative postings are even auctioned amongst the contenders. A cruel example of how the people of the country are being hoodwinked by their own guardians.
- Besides the above, bribes are also paid on day-to-day basis by almost all the households of the land, poor or rich to the government's officers, *baboos* and inspectors for doing petty jobs. They may be paid by the rural masses for getting loans for seeds, fertilizer, cattle, pumpsets or tractors or for their insurance, insurance claims, subsidies, and employment or employment allowances under various *rozgar yojanas*, even 100 days employment under NREG scheme (2005) and other financial packages or subsidies of the government, pensions, food, schooling and medical facilities. In the urban areas bribes are paid to all government departments having any kind of public dealing, even for plying or parking a *rickshaw* on the road or sleeping

on footpaths or begging at a public place, routine jobs like getting a driving licence, ration card, grocery from a ration shop and for all kinds of civic services like water, power, telephone, sanitation, health services, ESI hospitals for treatment, medicines, operation or arrangement of a bed etc., railways, pensions, PF, police and innumerable such services. A consumer has to pay to the telephone linesmen to ensure that his phone is not tapped for use by others, or does not go dead or for obtaining a telephone connection, and similarly, to the electricity linesmen and their departments. Even a prisoner pays the jail staff for small favours and for allowing his acquaintances to meet him. **Practically every person pays bribe on day-to-day basis like the cats paying to the monkey,<sup>3</sup> to get routine jobs done from various government departments irrespective of their petty nature, even for obtaining a death certificate.** In many cases the cost of bribe is many times more than the official cost. For example for obtaining a ration card while the official cost may be just Rs 3/- the bribe may be up to Rs 500/- and more. Money is also paid for obtaining false certificates of education, caste or religion and for scores of such things. This bribe paid by a very large number of people in very small amounts on a day-to-day basis may be adding up to a very huge amount which is difficult to estimate. It may be working out in hundreds of crores of rupees everyday (staggering yet comprehensible). It goes out of the very hard-earned money of most individuals of the country without generating *black money*.

- Not only financial aids that are allocated for poverty alleviation and other social causes, are consumed by the officials and their associates handling these funds to enrich themselves, even the money disbursed to tackle extremism and cross border terrorism (which we understand is exempt from audit) is also swindled. Take the case of Mr Surendra Nath, former Governor of Punjab and Himachal Pradesh, who according to the media amassed wealth in cash, jewellery and property worth over Rs 1000 cr. The actual figure will be staggering. This is the wealth of only one person. Imagine the actual wealth siphoned off by the associated bureaucracy, police and the politicians at the centre and states. It may be simply huge. Some examples:
  - The cleansing of Ganga was undertaken sometime during 1986, but it remains polluted and filthy as before except for some patch work and some cosmetic treatment here and there, while thousands of crores of rupees have already been drained in the name of it.

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3. see footnote to Section 9.3

- Bhopal gas tragedy took place sometime in 1984. Of Rs 715 cr, which the government got as compensation, barely Rs 300 cr reached the victims, suffering families and dependents by 2002. The compensation was meant for providing immediate relief to the victims. This has left many in the lurch while many have died of deprivation and lack of medical help.
- The case of buying coffins (December 2001) for the martyrs of Kargil war on which they spent larger sums of foreign exchange than they spent in arranging shoes, kits and headgear for the soldiers. We now learn that these coffins are junks, being too heavy. These were imported as if we couldn't produce this simple item in our own country.
- I remember railway cargo transportation was economical compared to road transport, when my factory used to transport its voluminous equipment to long distances. Initially, I also tried to utilise their services but it did not last for long in view of multistage corruption right from the point of arrival of equipment at the station, its unloading and transportation up to the railway yard and loading onto the wagon. Similar process would repeat when my client would take its delivery. Sometimes the equipment would get misplaced and would be traced after its utility was over. Sometimes it would be transported to a wrong destination and then called back. Then would begin an unending correspondence that would yield little result. I realised that many times the bribe paid to their staff at various stages was more than the freight collected by the railways. This is how the staff in the public sector earn more than their direct salaries and wages. Gradually, even the government departments preferred the transportation by road. The declining railways freight business in absolute terms proves the point. Wherever an alternative is available, the public opts for private services, such being the aversion for government services. The extent of corruption described above was many years ago. Things are much worse now than they were then. Today there is no hesitation or fear in accepting bribes openly as it has disseminated well into the system and the society and has become an order of the day. When one has to pay bribe to obtain a death certificate of his dear one, and extra money to get dry wood we can very well imagine not only the level and degree of corruption in our system but its ugly and shameful facet. It is no exaggeration to call them hungry vultures or fratricides. It is calling a spade a

spade. If the consumer ever complains of the staff's wrong doings, it is likely that he (consumer) may land up under scrutiny by the department and even be penalised on some flimsy ground. His connection may be severed or other coercive measures used so that he will never dare to complain again. The law of the land is – accept them as they are and raise no voice or you may invite trouble for yourself. **Better pay and get your work done, as if we are living in a society of official rogues and thugs.**

Gradually the entire money of the country is enriching the government staff and the middlemen. Today bulk of the wealth of the country is with the polity, bureaucracy, and their staff sprawling in all states, cities and villages of the country. The whole country is bleeding and becoming pauper by the fall of the day and one day it may become totally destitute (68% of us already are as analysed in Table 5.5). The poor man's money that could be used in meeting his basic needs is enriching the government staff. This is a very painful situation (besides being shameful) leading to stagnation of rural progress, gradual dwindling of our economy, higher deficits year after year, printing of excess currency, more dependence on foreign aids, internal and external loans, and consequent higher interest liabilities. Circulation of fake currency, revenue stamps and stamp papers (inference 1, Table 5.1) is also a consequence of it.

Now we hear of alarming rise in cases of scandals in daily lives like issuing of Visas, selection of cricketers, leakage of question papers for MBA (CAT), Medical and Engineering entrance exams, Bank probationary officers and CBSE etc. Corruption cases at all government departments, rising CBI cases and government raids at its own officials. Seemingly the whole country is gradually adapting to perverse attitudes in its actions and deeds. Imagine what have we become in these 60 years and what shall be its ultimate end? Even our print media and twenty-four hour TV news channels are busy in such news items. Now the common man also wants to make a fast buck and evade taxes.

**People are what our system has made them. We surely cannot call ourselves dishonest or unscrupulous. We are a race that is more attached to our motherland and can sacrifice our lives to save its sovereignty and integrity. If we have become dishonest or unscrupulous our system alone is to blame. If any one is to be punished, it is our polity and bureaucracy. We therefore do not believe in fighting corruption and nepotism. These are offshoots**

of a weak governance, its wrong policies and kleptocracy. These will get addressed automatically with the advent of a strong and prudent system of governance. We therefore do not like to discuss the ways of fighting corruption rather address the causes breeding it.

- As an aftermath of *Tehelka* (2000-2001) episode, the government is now working towards legalising corruption. It is a known fact that parties collect money for their own enrichments and elections. That they should collect it through cheques or cash is a point under discussion, to avoid fiascoes such as *Tehelka* in future. This basically means legalising such clandestine transactions.

It is also a known fact how a business house is benefited by making huge savings on their heavy imports by altering the custom duties for a few days. Such instances are numerous and have been there. Short term variations in various kinds of levies, taxes, duties or quotas have immensely benefited particular business and industrial houses. Perhaps under the new policies which the government will frame in light of *Tehelka*, corruption and bribery may be legalised to collect money in the name of party funds and will not be regarded a blemish on our polity or bureaucracy. **First in the series is to make bureaucrats and other higher ups in the system immune from law against corruption and CBI can no longer apprehend them in such matters (News item, March 2003).** One still remembers legalising begging (in the name of *Shani Devta*) (2000-2001) and giving it a status of business.

- We often hear how ministers and chief ministers send out instructions through police and bureaucracy to collect huge sums for them from the public, business houses and industries by coercion or even through government favours to them by way of land, property, licences and tenders. So much so that some political parties have even started asking openly (in presence of electronic and press media (Lucknow, Jan, 2003)) their party workers to collect funds for the party. We also witnessed a live video tape on TV making such demands openly from officials and party workers and creating a big furore once again like the *Tehelka* video tapes did earlier. One can foresee not only the extent but the ugly shape it will assume in times ahead when all parties and political leaders shall clamber to collect funds openly without shame or fear and in the process the large booty the officials and the party workers shall also be amassing for themselves. Look at the other live video tape yet again showing a union minister accepting bribe (Nov. 2003).

We now witness the ex-chief minister of UP Mayawati demanding money from the ignorant public in the name of living goddess herself than wasting money on gods and goddesses they have never seen (Sept. 2005).

- Our kleptocratic leaders even employ corrupt senior bureaucrats to fulfil their greeds. Now judiciary is directing them to remove such officers. When shall come the law to remove the corrupt politicians? Case of Mulayam Singh, Chief Minister, UP is in sight. Supreme court directing him to remove two of his senior-most bureaucrats — earlier Akhand Pratap Singh and now Neera Yadav (known for Noida land scam). What good shall such Supreme Court orders really do to the people or the nation is only a guess but Supreme Court directing the ruling political heavy weights is surely surprising and corroborates our findings.

**If collecting money through unscrupulous means is such a compulsion for our political parties for personal enrichment and to contest elections at the cost of its own people, then the whole system of governance is a farce, a fratricide and founded on false ideologies and must be demolished (see Chapter 26).**

*The government services are a licence to not perform yet collect booty from the public in the guise of law.*

- *Tehelka* caused a furore. A few who were exposed were suspended and a few ministers resigned. It was another stray case that came to public notice. Earlier also there have been scores of such scams and things were pretty evident but nothing happened. Now also nothing would happen. *Tehelka* owners and their financial associates (First Global of Mr Sharma and his wife Mrs V. Devina) surely have been tormented and their business is ruined. **Let none of the investigating agencies or enquiry commissions find an evidence against anyone. Let also our judiciary absolve them from all charges, the reality hounds that most money of the nation and its people is with the polity, bureaucracy and their staff and 68% of our people languish under stark poverty. Now it has come to light that money is also paid to MPs by individuals and companies even for raising questions in Parliament (Dec., 2005). It has already created a tantrum between the judiciary and legislature (see Section 22.3).**

**Today everybody in the system is saleable — Supreme Court, Nov. 2003.**

## 9.2 Magnitude of *black money*

As per an eminent economist,<sup>4</sup> it is roughly estimated that *black money* in circulation has risen from 3% in mid 1950's to about 40-50% by 2000 in terms of GDP. But by our estimate it should not be less than 80-100% (even to put it at 125% won't be an exaggeration in light of our earlier discussions) if we include the bribes the people pay on day-to-day basis and large government transactions that involve huge kickbacks on imports, defence deals (we hear many of the purchases worth thousands of crores of rupees are mere junks or for items that are not required), exorbitant border security expenses like on J&K (mostly unaccounted), licensing (such as IT and Sukh Ram's (ex-minister) telecom deals), now sale of PSUs, implementation of government plans and projects and relief disbursements etc. Similarly large amounts that transact at sales tax, income tax, excise, custom, property tax and for obtaining quotas, drawbacks or while dealing with banks and financial institutions, government distribution, procurement and pilferages, police and vigilance departments etc. Also for framing policies to benefit specific traders, business houses and industries and for favouring purchase contracts and allotment of land, property, petrol pumps. Now huge areas of agri-lands for Special Economic Zones (SEZs) by most states (also see Section 11.5). All these transactions are very huge and generate most of the *black money*. This is just to name a few obvious areas generating black money. Many of these transactions may have individual kickback deals in hundreds to thousands of crores of rupees. Some scams and kickback cases that have come to public notice are of that magnitude.

Now fake currency, revenue stamps and stamp papers worth lacs of crores of rupees are additional burden on our dwindling economy adding to black money. One may be aghast to know the involvement of government higher-ups in such nefarious and anti-national activities.

The case of Surender Nath as noted before is one example. It became public because he died in an air crash, otherwise people would have never known the enormity of swindling by the government custodians. Many of the new owners of real estates, businesses and industries are the politicians, bureaucrats, their children, relations and friends, besides their enormous wealth in cash and kind here and in foreign banks. Everybody seems to be clambering to become the richest individual in the country. We know some bureaucrats and politicians who have turned

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4. Dr Arun Kumar — *The Black Economy in India*

big builders, bankers and business houses in just a few years rising from rags to riches.

By one estimate the money in foreign banks exceeds Rs 7.5 lac cr (Rashtriya Sahara, February 26, 2000) but according to our studies it must be manifold of this. It is also corroborated by the rising money crunch in the market that we witnessed a few years ago (despite the fact that there was more money supply in the market as a result of printing of excess currency, foreign loans and rising forex reserves, etc.). Consequently dwindling purchasing capacity of the common man, even the inflation took a nose dive during 2000-2003, suggesting that most money was circulating outside the market than inside it.

With this rate one day most of the wealth, industries and businesses of the nation will belong to the custodians of free India, their family members, relations and friends and rest of the country will look at them with awe and disgust like the poor helpless cats at the monkey.<sup>5</sup> Question arises **shall we always play cowardice and watch helplessly the plundering of our wealth before our eyes like we did during the sad medieval past? Or we muster up courage and throw away such a nefarious system (Chapter 26).**

#### Note

From about 2002-03 the scenario is somewhat changing due to booming stock market. People are investing in stocks. Even large amount of black money is coming back to circulation through this market. FIIs are also taking interest and raising money circulation. The dull market scenario is now brightening giving an India Shining and "Feel Good" scenario. Money is showing up in consumer market and industries are picking up. Property and real estates are touching new highs as a consequence of this. But as said earlier one should not forget this is benefiting only those (6-9%, Table 5.5) who may have enough spending capacity and can take advantage of the situation. The rest have to languish just as before as this is not a development work that can benefit the poor which only the government has to address.

### 9.3 Effects of *black economy*

The general tendency of people to spend *black money* is on unproductive heads such as real estate, share markets, hoarding in gold and diamond

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5. Story from *Panchatantra* of two cats and a monkey :

One day to resolve the dispute over the right share of a bread the two cats walk down to the monkey who they considered their leader. The monkey makes two pieces of the loaf and weighs them in a scale. He cuts a portion of the piece that is heavier and eats away the same. Now the other piece becomes heavier. He cuts a portion from this piece this time and eats that too. The frightened cats look up at the monkey helplessly. When the pieces were balanced he ate them too as part of his fees.

ornaments, smuggling or flight of capital to other countries. A part of this money may also come back into circulation, e.g. in raising living standards, good furnishings and other means of luxury. But in a few years such propensity reaches the level of self-complacency and results in more of hoarding than spending and only a trickle of *black money* comes back into circulation. Moreover since this class is hardly 3% (Section 5.3) of the total population it cannot substantially raise the money circulation. The markets have to dry up gradually and present a dull scenario despite the fact that money in the market is rising every year in the shape of excess currency printed (in 2004-2005 about Rs 1,50,000 cr), foreign aids, loans, FDI, FIIs and NRIs' transferring their earnings to us. All this foreign exchange is printed in equivalent rupees and comes back into circulation. In economic terms the money out of circulation may be called as waste of capital or wealth of the nation and renders the country poorer. It reduces the buying capacity of the common man and slows down industrial growth because of lesser consumption by the people (market slump), hence lesser productivity (industrial stagnation and sickness) resulting in higher costs, poor quality and lesser employment opportunities etc.

#### Note

There is a shift in the above scenario (post 2003) in the face of "Feel Good" factor. One can witness large circulation of black money as people are investing in gold, jewellery, stocks, property and real estates.

#### 9.4 Enquiry commissions

We have become a country of regular and ever-rising CBI cases and enquiry commissions. Everything is ruined by the government and its custodians and then a team is assigned to investigate the causes and trace the guilty. And so remains busy the whole bureaucratic machinery, in forming commissions, doing investigations and conducting enquiries to save themselves and their colleagues. (When the government machinery shall work for upliftment of the nation no one knows.) What purpose do these commissions serve, people know. Everything our system does begins with a scam and ends up with an enquiry commission. All money leached out through scams and corruption circulates amongst themselves. While they enjoy whole hog, the poor people watch them helplessly like the timid and meek cats watching the monkey. And in our ignorance we expect one day our country will progress, our sufferings will mitigate and our children will lead a happy life. We are surely expecting oil out of sand irrespective of the deceptive euphoria of "India Shining" or "Feel Good."

A country cannot engage in any constructive work so long as all its energies are directed towards solving the enormous cases of crimes, frauds and scams against its own rulers and bureaucrats on day-to-day basis and generating more cases than solving. It is a different matter that hardly a few are ever convicted. Most are acquitted respectfully. Now people also know, that after making some noises and a few headlines nothing will emerge out of such cases. The media will expose and enquiry commissions and judiciary will bury them. All are part of the same system and shield each other. The politicians, the bureaucracy, the police and the investigating agencies all are hand in glove. Everybody's survival depends upon the other. All their gimmicks are to silence the public. Everything is an eyewash to fool the public. The cruel fact is that the whole system and almost each individual (barring a few exceptions) connected with it are alike. By penalising a few (that is if they are able to do that) we cannot eradicate this disease from the system while the causes responsible for it remain uncured! We never know in our next general elections some political parties might promise people to establish separate "**Ministry of Investigations**" to cleanse the system and look into crimes, corruption, scams and public briberies as a means of fair investigations like no one has ever done before.

**Woe betide! The country is doomed and so are its people. The continuous degeneration of the country has now permanently set in. Farmers are committing suicides and general condition of the people is worsening despite "India Shining" and an element of anarchy can be felt in all walks of life.**

### **9.5 Derogatory government raids (other than on government officials)**

*Insult of an individual in the name of a raid at the hands of those who are corrupt themselves is derogatory and unbecoming of a nation.*

Income tax, sales tax, excise, FERA or similar other raids against individuals or companies by those who are themselves rogues and corrupt and its wide publicity through media are unfair practices conducted by a corrupt system, while the real culprits in the system enjoy and stay immune. Sometimes an innocent person may even fall prey to a trap laid by the system or his foes. Such acts are derogatory and barbaric. Let the system be cleansed and put in order first and then hang the man found guilty. **Official demolition of houses by corporation and digging and destroying of houses in the name of**

income tax searches is well known. In most cases it is personal avenges on individuals by government higher ups. Sometimes it gives a feeling as if we are being governed by rogues and musclemen and our lives are in danger.

As discussed already, our system is so abusive that a common law-abiding citizen is also compelled to become corrupt. He moulds himself to the demands of the system, and one day the same system apprehends him, exposes him and undermines him publicly. Such acts give rise to partisan feelings, feeling of contempt and disregard for his own law and judiciary and a hatred for the system, even a gradual disregard for his own nation. It has weakened our nation and encouraged perverse attitudes in our people.

In a progressive country the government, administration, law and judiciary all are respected and held in high esteem by their people. This is also the basic requirement for the progress and prosperity of a nation and developing harmonious relationship amongst the people. Such conditions must prevail in our country also. Let not the powerful and the influential stay immune and go scot free for lack of evidences while innocents are harassed and put behind bars.

## 9.6 Conclusion

Generation of *black money* is not evasion of taxes as most people allege in light of above discussions. The major causes are government's system of quotas, licences and sanctions, MRTP, DGTD, unscrupulous laws of taxation, abusive checks and controls on industries, business houses and individuals and equally abusive system of collecting taxes and enforcing these laws and regulations. And large-scale swindling of nation's wealth at the political and bureaucratic levels. Gradually such perverse activities have also seeped through the society and eroded the national character. Post-liberalisation also the situation is not changed much even when MRTP, DGTD, quotas and licences are almost withdrawn.

Any discussion on how to fight corruption shall lead to a debate and take us nowhere. A few years ago there were a lot of seminars and TV talk shows on abating corruption. Different experts have different views and Mr Vittal, the then Chairman, Central Vigilance Commission (2000-2001) had emerged as the peoples' hero. But all such talks are futile and have not made a dent in the dough. **Remember, a man is a gentle creature and righteous in his deeds unless provoked to behave indifferently. We will go by this philosophy and will not discuss**

**this sensitive issue, which will get addressed on its own under a sincere, efficient and prudent system of governance through knowledgeable and experienced professionals and experts, framing people-friendly rules and laws and equally friendly people to implement the same. This will result in trust and respect for each other (Chapter 26). We shall fight the causes rather than their effects. No other measure whatsoever can bring any reform on this front. Putting a bucket below a leaking roof is no solution, plugging the holes in the roof is.**