

MANIDHANAHEYAM FREE IAS ACADEMY – TNPSC GROUP II & IIA

UNIT - III

Corruptions in Public Life

1. What is black money? Write about reasons and recent actions.

Black money

- i. Income involved in black market (a) Unpaid income.
- ii. Unaccounted money hidden from the taxman

Causes of Black Money

1. Scarcity of goods

- i. Black money is the root cause of scarcity of goods either naturally or artificially.
- ii. Successive restrictions are being introduced to curb black money.

2. Licensing Procedure

- i. The system of control permits, quotas, licenses is associated with mis-distribution due to under-supply of goods.
- ii. This increases black money.

3. Role of Industry

- i. The regulator of limited PSUs buys commodities at very low prices.
- ii. But he charges more for the product. It does not show this difference in private.

4. Kidnapping

- i. When India had rigid exchange systems, high tariffs were levied on expensive goods such as gold, silver, textiles and electronics.
- ii. Bringing these goods in defiance of the authorities is smuggling.

5. Structure of tax

When the rate of tax is high, it causes the emergence of black money.

Recent Efforts to Control Black Money in India

- i. A Special Inquiry into Black Money was constituted under 2 judges of the Supreme Court.
- ii. Black Money (Undisclosed Foreign Income (M) Assets) and Taxation Act - 2015
- iii. A special commission was formed to investigate the revelations of recent currency leaks in Panama.
- iv. Double taxation avoidance agreements
- v. Foreign Accounts Tax Compliance Act
- vi. Money Laundering Act - 2002
- vii. Benami Transactions (Prohibition) Amendment Act - 2016

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- viii. Clean money operation 2017, launch on 31st January
- ix. Lokpal, Lok Ayukta Act
- x. The Real Estate (Regulatory & Development) Act - 2016
- xi. Demonetization – 2016, November 8

What are the effects of black money on the economy?

- i. Dual economy
- ii. Underestimation of reality
- iii. Loss of revenue to the government through tax evasion
- iv. Equality weakens
- v. Widening gap between rich and poor
- vi. Luxury consumption expenditure
- vii. Deviation in production method
- viii. Distribution of deficit money
- ix. Declines in general moral standards in society
- x. Effects on productivity

Effects of corruption

- i. General depravity of the people
- ii. Violence
- iii. Democratic institutions (m) Loss of confidence in government officials
- iv. Return of investments
- v. Impact on economic growth
- vi. Poor infrastructure facilities
- vii. The poor are affected
- viii. Increasing inequality

2. What is corruption? What are its causes?

Bribery, cheating, manipulation, extortion, favoritism are forms of corruption.

Causes of corruption:

- i. Lack of proper regulations
- ii. Inaccessibility of government service to the people in administration
- iii. Gap between people, civil servant
- iv. Delay in service delivery
- v. Lack of transparency
- vi. Dishonesty
- vii. Higher tax rate
- viii. Greed

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- ix. Indifference to public welfare
- x. Social (m)psychological acceptance of corruption
- xi. Lack of awareness
- xii. Deficiencies in the Anti-Corruption Act
- xiii. Inflation
- xiv. Red tape
- xv. Apathy of the citizen

Anti-corruption action

- i. Prevention of Corruption Act - 1988
- ii. Santhanam Group – 1963
- iii. Central Intelligence Agency – 1963
- iv. Central Vigilance Commission - 1964
- v. Lokpal - 2014
- vi. Lok Ayukta - 2014
- vii. Central Information Commission - 2005
- viii. Right to Information Act - 2005
- ix. Demonetisation – November 8, 2016

3. Central Vigilance Commission (CVC)

Appearance

- i. Recommendation – Santhanam Group
- ii. CENTRAL GOVERNMENT DECISION - 1964
- iii. Legal status was obtained in 2003 (CVC, Act 2003).
- iv. OBJECTIVE – A system to prevent corruption in government public works

Organization

- i. Chairman – 1
- ii. Members – 2
- iii. Appointment – President
- iv. Tenure - 4 years 65 years
- v. Headquarters - New Delhi
- vi. Pay (and) Concession – Affiliated to UPSC

Selection committee

- i. Prime Minister
- ii. Leader of Opposition
- iii. home Minister

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Duties and Responsibilities

- i. Investigating allegations of corruption against public servants
- ii. Expediting and completing investigations into corruption complaints
- iii. Receive reports from investigative agencies and monitor and regulate their anti-corruption activities
- iv. Taking over corruption cases for higher actions
- v. Revise rules and procedures related to corruption to promote integrity in public administration
- vi. Submitting an annual report on the activities of the Commission to the Ministry of Home Affairs
- vii. CVC has identified and listed 27 types of corruption.
- viii. Any authorities under the Prevention of Corruption Act 1988 shall conduct an inquiry against

4. Ombudsman

Appearance

1. 1809 - Introduction in Sweden
2. 1966 - Recommendation of Administrative Reform Commission in India
3. Creation of Lokpal, Lok Ayukta based on this.

Purpose

Investigate and administer justice in crimes against central and state government officials

Public grievances

Public grievances are public grievances such as corruption, disruption of public activities (c) delay.

Grievance Commissioner- 1966

- i. Regularization of activities of government bodies for redressal of citizens' grievances
- ii. Providing efficient leadership to these
- iii. Grievance rooms were set up in ministries.

Reasons for formation of ombudsman

- i. Excessive proliferation of government activities
- ii. Discretionary powers vested in officers
- iii. Delegated Acts
- iv. Citizens' expectations from authorities
- v. Inability to control the executive branch by the legislative branch

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- vi. Delays caused by courts are costly
- vii. Loss of confidence in governance among citizens
- viii. The need for independent organization

Characteristics

- 1. The medium is infallible
- 2. Non-political
- 3. Beyond the regular managerial hierarchy

Defects

- 1. Advisory system only
- 2. No administrative function can be modified

5. Lok Adalat

Appearance

- i. Justice Bhagwati's recommendation
- ii. Legal status under the Legal Services Authorities Act 1987
- iii. 1982-First Lok Adalat set up in Gujarat.

Guidelines

39A – Free service based on Gandhian principle, no charge.

Purpose

- i. Justice to the weaker sections
- ii. Consolidation of multiple cases saving time and cost

Organization

- i. Chairman - 1 (Retired Judge)
- ii. Members – 2 (Lawyer, Sociologist)

Powers

- i. Its legal authority shall be determined by the District (a) State bodies
- ii. Jurisdiction equivalent to a civil court
- iii. The decision shall be binding on all parties
- iv. There is no appeal if settled in these courts.

Matters included in Lok Adalat:

- i. Criminology
- ii. Sociology
- iii. Revenue Courts
- iv. Tribunals

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Conditions

If both parties have applied for conciliation, such cases will come before the Lok Adalat

Benefits

- i. Fast track court
- ii. The court hears pending cases
- iii. An alternative to solving the problem

1996, October 3

The Supreme (M) High Court conducted Lok Adalat and disposed of thousands of cases.

6. Lokpal & Lok Ayukta

Lokpal

- i. Since 1966, the Administrative Reforms Commission has recommended
- ii. Like Scandi Navion
- iii. Lokpal Bill was enacted in 2014.

Purpose

- i. Elimination of corruption in public works
- ii. Holding public servants including the Prime Minister accountable

Organization

- i. Chairman – 1 (Retired Chief Justice of Supreme / High Court)
- ii. Members – 8
- iii. 50% members are caste, minority, women
- iv. Tenure – 5 years / 70 years
- v. No reappointment.

Selection Committee

- i. Prime Minister
- ii. Speaker of the Lok Sabha
- iii. Leader of Opposition in Lok Sabha
- iv. Supreme Court Judge
- v. Legal expert

16th Amendment

- i. All public servants
- ii. Includes non-governmental organizations that receive foreign donations.

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Limitations of Lokpal

- i. The Lokpal itself cannot initiate a case against any government servant.
- ii. Emphasizes the form rather than the nature of the complaint.
- iii. Prevents complaints from coming to Lokpal by providing severe punishment for false & frivolous complaints against government servants.
- iv. Anonymous complaints are not allowed.
- v. Legal aid to the Government servant against whom the complaint is lodged
- vi. Limitation of 7 years for filing complaints
- vii. A very opaque system of handling complaints against the Prime Minister

Lok Ayukta

- i. States should set up Lokayukta on the model of Lokpal.
- ii. Ministers of State will investigate crimes against the Chief Minister
- iii. 1971 – First introduced in Maharashtra
- iv. Its authority (m) function is not uniform across the country.

Duties and Powers

- i. Supervise and regulate the intelligence agencies including the Central Intelligence Agency
- ii. Union Ministers including the Prime Minister come under the jurisdiction of Lokpal
- iii. Central Intelligence Agency officers may be reassigned by the Lokpal.
- iv. Special courts will be set up to try the cases
- v. The Central Bureau of Investigation may appoint a prosecution team with the approval of the Lokpal.
- vi. The complaint is in the language of the 8th Schedule
- vii. Protection of complainant

Defect

- i. Advisory system only
- ii. No power to punish
- iii. Judiciary, Army, Navy and Intelligence are exempted.
- iv. The success of Lokpal depends on its functioning.
- v. Its appointment is not free from political influence
- vi. Transparency in appointment is essential process

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- i. Report in 60 days
- ii. Result in 30 days
- iii. Maximum tenure – 2 years

Highlights

- i. Independent organization
- ii. No political interference
- iii. The investigation is transparent

7. Right to Information Act - 2005

The Right to Information Act - 2005 came into force from October 2005.

Purpose:

- i. To provide the people in all parts of the country with the right to access information from government officials as a fundamental right
- ii. To bring transparency in the functioning of government officials
- iii. Controlling corruption
- iv. Ensuring that government departments and institutions are accountable to the people
- v. A practical format is given to provide information to the people.
- vi. Repealed the Secrets of Government Documents Act 1923, which prohibits disclosure of information to the public

Jurisdiction

All the various offices created by the Central, State and Union Territory Governments either on their own or directly or through financial assistance are covered under this Act.

Information

Includes records, documents, office memos, e-mail, comments, suggestions, and information - data.

Registers are

- i. All kinds of documents, manuscripts, files
- ii. Microscroll, photocopy, copies of registered document
- iii. Documents produced by devices such as computers

Right to information

- i. Right to inspect works, documents, records
- ii. Right to receive notes, summaries etc
- iii. Right to take samples
- iv. Parliament and Legislature should not be denied information.

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- v. At no time should law-making bodies be denied information.

Secrets to be protected

The sovereignty, integrity, security, economic (m) scientific interests of the country, foreign affairs information etc. are to be protected.

Exception

- i. intelligence
- ii. Private companies are not covered under the Act

8. Tamil Nadu Lok Ayukta – 2018

Appearance

- i. Formation under Administrative Reforms Commission 1966
- ii. Lok Ayukta is the anti-corruption grievance redressal body of state government employees
- iii. First state to implement – (1971) Maharashtra
- iv. Effective from 9th July 2018 in Tamil Nadu

Organization

- i. Chairman – 1
- ii. Members - Judicial (2) , Non-Judicial (2)
- iii. Tenure - 5 years upto 70 years
- iv. Chairman of Selection Committee – Mr. Venkatraman
- v. Appointment by the Governor
- vi. First President - P. Devadas
- vii. Pay : Associate Chief High Court Judge

Selection Committee

- i. Chief Minister
- ii. Leader of the Opposition
- iii. Chairman of the Legislative Council

Power

Attached to Civil Court

Highlight

- i. Chief Minister and Cabinet member came under its jurisdiction.
- ii. A fine of Rs 1 lakh and 1 year imprisonment for making a false complaint
- iii. Local Government (M) government contract employees do not come under its jurisdiction.

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9. Central Information Commission - 2005

Appearance

- i. Formed under the Right to Information Act - 2005
- ii. Non constitutional (Stautory Body)

Organization

- i. Chief Information Commissioner – 1
- ii. Information Commissioners – 10
- iii. Law, science, society, management, technical experience, knowledge

Select Committee

- i. Prime Minister
- ii. Leader of Opposition
- iii. Cabinet Committee

Tenure (and) Appointment

- i. 65 years, Tenure – Prescribed by union Government
- ii. Appointment – President
- iii. Reappointment – Not Eligible.

Complaints and investigations to the following:

- i. A person who is denied the requested information
- ii. The information is not available within the stipulated time
- iii. One who thinks that the fee charged is too high

Arbitrary authority

In respect of any matter, an inquiry may be automatically ordered if there is sufficient cause.

Jurisdiction vis-à-vis the Corporation Law Court

- i. Calling the individual for questioning
- ii. Retrieving files from any court office
- iii. Finding and examining documents

Commanding other organizations

- i. Requesting information in a specified form
- ii. Allotment of training to officers
- iii. Annual Report from Public Sector Officers

10. State Information Commission

Appearance

1. Creation under the Right to Information Act - 2005
2. Formed in 2005 in Tamil Nadu

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Organization

- i. Chief Information Commissioner – 1
- ii. Information Commissioners – Not more than 10 (currently there are 6)
- iii. People with knowledge related to society, science, technology, law, management

Tenure (and) Appointment

- i. 65 years, Tenure – Prescribed by union Government
- ii. Appointment – Governor
- iii. Reappointment – Not Eligible.

Power

- i. Jurisdiction matching the civil court
- ii. Any person may be subpoenaed in writing as a witness during the trial.
- iii. Files can be obtained from any organization.

11. Right to Information Amendment Act - 2019

- i. Central Information Commissioner
- ii. Revision of Status, Pay, Tenure of State Information Commissioners
- iii. M.D. Commissioner Level – Election Commissioner, State Information Commissioner – State Chief Secretary

Impact

- i. affect the distribution of power
- ii. Its autonomy will be affected
- iii. affect the federal system
- iv. Affects freedom of expression
- v. Curbing the independence of Information Commissioners
- vi. This law will weaken

12. Disadvantages of Sectarianism

Discrimination against a particular person / group on the basis of religion

Defects

1. Passion for religion
2. Graft bank
3. Conflicts within religions
 - Sikh riots - 1984
 - Religious riots - 2002
4. Discrimination in the workplace
 - Monument left

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- Specific dress code
- 5. Welfare scheme for particular religion
- 6. Extremism
 - Mumbai blasts – 1992
 - Parliament bombings – 2001
- 7. Individual request
 - Khalistan
 - Kashmir
- 8. Territorial discrimination
- 9. Reservation – Education, Employment
- 10. Communalism
 - Minder theory of soil
- 11. Refugee problem

Rights based on religion

Religion is a matter of personal belief(s) and values

Religious Rights: Part II Article 25 – 28

1. Article 25: Right to accept, follow and propagate any religion
2. Article 26 : Right to administer religious affairs
3. Article 27 : Freedom to propagate any religion, against payment of taxes
4. Article 28 : Right not to attend meetings held in religious educational institutions

Significance:

1. Freedom to follow one's conscience
2. Welfare of religious minorities
3. To ensure the cultural diversity of India
4. To preserve the secular character of the nation
5. To bring harmony between different religions
6. Living in brotherhood despite following different religions
7. To prevent forced conversion
8. To remove the class argument

13. Fundamental rights are more than governmental ethical principles

1. Chenpagam Durairajan Case – 1951
1. In case of conflict between fundamental rights and ethical principles, fundamental rights will prevail - L.U
2. Ethics is a subsidiary of fundamental rights

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3. Parliament can change rights by amendment
4. 1st – 1951, 4th – 1955, 17th – 1964

Golaknath Case – 1967

1. Fundamental rights cannot be amended
2. Implementation of 24th – 1971, 25th – 1971

24th Amendment 1971

Parliament can amend fundamental rights without changing the basic structure.

25th Amendment - 1971

39(b) 39(c) brought in to give effect to Articles 14, 19, 31, etc. cannot be argued against in court.

Kesavananda Bharati case – 1973

1. Basis of Judicial Review Constitution, Basic Structure
2. Section 2 of 31(c) is unconstitutional
3. 42nd Amendment – Article 14, 19, 31 rights are paramount

Minerva Mills case – 1980

1. F.R. The DPSP is balance between the bedrock of the Constitution.
2. Ethical principles should achieve the set goals without overriding the instructions given by the FR.
3. Can be edited without changing the basic structure