

# Beneath the System: Everyday Encounters with Corruption and Arbitrary Rule

R. Kumaran

Assistant Professor, Centre for Studies for Sociology, The Gandhigram Rural Institute – Deemed University  
Gandhigram, Dindigul District – 624302, Tamil Nadu, India

**Abstract:** *The paper argues for the need to develop alternative perceptions of corruption, based on the experience of corruption of poor and marginalized communities, who perhaps are the single largest category of people affected by corruption, yet whose experiences of corruption remain largely undocumented. The author seeks to redefine corruption to include the arbitrary exercise of power, establishing, with examples, the impact that this has on lives of people living in poverty.*

**Keywords:** Corruption, Governance, Life-History, Poverty, Globalisation, Development

## 1. Defining Corruption

The debate on corruption has tended to look at the corruption exclusively from a macro perspective. It has been invariably regarded as a 'big issue' involving 'big money' and such 'big players' as Government, bureaucracy and politicians. This is echoed by even the most widely accepted definition of corruption that goes like this: "misuse of public office, power or authority for private gain". Corruption and corrupt acts are understood as involving two (or more) parties, or public authorities who may be engaged in it alone for embezzlement, fraud, and the misuse of public office. In recent years there have been arguments for expanding the definition of 'big player' to include private sector or corporates, contending that prevailing definitions of corruption have traditionally excluded the private sector and focused exclusively on corruption in government. Rose-Ackerman (1997) for instance, argues that some large corporations and even governments of some industrialized countries resist reforms to control corruption, because they believe that illegal payments to officials in less industrialized countries work to their benefit. Jeremy Pope (2001) reiterates the significance of private sector corruption in the wake of privatization and the transfer into the private sector of tasks previously regarded as those of the state, with near total monopolies for the supply of public goods (e. g. water, electricity) into private hands. Private sector included or not, the discourse on corruption has to be brought to the ground from its high pedestals, so to speak. One way to achieve that is to locate the phenomenon of corruption in the lived experiences of the poor people in India. It is illuminating to see how the ordinary people perceive corruption and as to how the experiences of corruption is articulated in their everyday lives. It is the contention of this paper that such a shift in perspective is crucial to develop an alternative corruption perception index.

## 2. Theoretical and Methodological Framework

This paper takes on a phenomenological position in understanding corruption in India. This paper is based on research carried out among the poorest sections of the population in India. For this research the author deployed qualitative research tool in the form of 'life histories' of the poorest and adopted 'listening' as the primary research

attitude. Thus, recorded are the inter and intra-generational experiences of the poor in living and coping with corrupt and arbitrary governance both in State and non-state institutions affecting private, public and common spheres and domains of the lives of the poor.

## 3. Typology and Dynamics of Corruption

The literature on corruption is replete with distinctions on kinds of corruption. For instance, a distinction is drawn by Moody-Stuart (1994) between "petty corruption" and "grand corruption" where petty corruption is seen where "public servants who may be grossly underpaid depend on small kickbacks from the public to feed their families and pay school fees whereas grand corruption involves high officials who make decisions on large public contracts".

Further survey of the literature on corruption reveals different ways of approaching the problem, albeit the suffering that it imposes on the victims of corruption is the same. It is however, important for us to examine this further to enhance our own understanding of the dynamics of corruption.

Pope (2001) categorizes bribe giving into four:

*Category 1:* Bribes may be paid for (a) access to a scarce benefit, or (b) avoidance of a cost

*Category 2:* Bribes can be paid for receipt of a benefit (or avoidance of a cost) that is not scarce, but where discretion must be exercised by state officials.

*Category 3:* Bribes can be paid, not for a specific public benefit itself, but for services connected with obtaining a benefit (or avoiding a cost), such as speedy service or inside information.

*Category 4:* Bribes can be paid (a) to prevent others from sharing in a benefit or (b) to impose a cost on someone else.

But for purposes of simplicity, I am listing below an alternate typology, developed from people's narratives about corruption, which focuses primarily on the most pervasive forms of corruption prevalent in complex interfaces of public authorities and the public in India.

There is firstly what is widely known as 'speed-money', in which there is no attempt to influence the outcome of an official decision; the effort instead is to overcome delays.

Volume 8 Issue 7, July 2019

[www.ijssr.net](http://www.ijssr.net)

Licensed Under Creative Commons Attribution CC BY

A second dynamic of corruption is what I may term as **'goodwill money'**. In such cases, the client pays neither to influence the outcome nor the speed of specific official decisions. It is instead a regular payment in cash or kind to public servants to keep them in good humour, in the hope that they would be positively disposed towards the client in the future in the event of decisions affecting the fortunes of the client.

A third category is what people may describe as **'end money'**. In such cases, money or favours are given to specifically influence official decisions in favour of the client. Such bribes are frequently resorted to obtain contracts and licenses, favourable decisions by courts, tax and police investigating agencies etc.

The most diabolic form of corruption, arising people's narratives and one which affects poor and marginalized people the most, is what I term **'blackmail money'**. In this category, the initiative is not taken by the client in any way, instead, it is the official who traps the client into a situation in which she or he must pay, or else face adverse consequences. Police, Forest and Revenue officials, across the country resort to this form of corruption.

In the following section, I argue for the need to expand existing definitions to include poor people's perception of corruption and the arbitrary exercise of power and in the section that follows I shall examine its impact on the lives of people living in poverty.

#### 4. Corruption in Popular Consciousness

##### Arbitrary Governance as Corruption

The narratives of the poorest often throw up a clear equation between corruption and arbitrary governance. For the people living in poverty these have most serious negative consequences in their lives.

There are many instances in the narratives when people find the corrupt nature of the state resulting in severe marginalisation. People often mention the lack or no availability of credit as one of the most serious consequences of arbitrary and corrupt governance. Credit, an essential buffer for survival is rarely present in the lives of the poor. Since credit in the larger globalizing world is a profit-driven activity, extension to poor households is almost non-existent. Usually most formal credit organizations require collateral or extensive documentation, both of which very poor households are unlikely to have. These institutions also tend to be impersonal and alienating. Where credit to poor households is seen as extension of welfare, the institutional delivery systems are inadequate and extremely corrupt, thanks to the manifold procedural regimes.

Veerammal from India has been lured into credit – she works in the municipality as a sanitation worker. She tried her best to get a small loan from the local cooperative bank, but it involved getting an income certificate from the local village administrative officer and also ensuring a guarantor. All these would involve shelling out some money for quick delivery of certificates, besides facing humiliation from these state representatives who treat her badly for she belongs to a lower

caste. While the legitimate credit delivering institutions view her as a risky customer, since her pay is regular, moneylenders see her as easy business and seduce her into taking loans usually beyond her means for consumables – marriages, and other needs of her children. This then turns into a burden wherein every month, her salary usually disappears on the day of her payment into servicing her loans. She lives in chronic hunger, working from morning to night supplementing her municipal pay through scavenging.

The implication of the corrupt and arbitrary governance and governance practices is that the failure of the structure to ensure equitable social relations tends to be placed as failures of the individuals. To achieve this, a variety of discourses is called into service. One can immediately recall discourses such as 'self-help' and 'entrepreneurial spirit/culture'. This way, the onus of being poor is squarely placed on the individual, for in an apparently equal society, poverty then becomes a phenomenon of individual failure to work hard with intelligence. Such people are characterised as passive victims without agency or initiative.

A journey through the life events of the poor repeatedly highlights the colossal failure of the nation-state to provide for and protect its citizens. Such failures are often characterized by ordinary people as expression of corrupt and arbitrary governance. The state, when seen as failing its welfare and security functions, can be seen as the most important impoverishing force in the lives of poor. Quite often in the narratives of the people living in poverty, the modern state and its various extensions are regarded as more corrupt and arbitrary than traditional institutions. This is because, people believe that the modern state has not been able to create reliable structures that offer services and resources that were originally provided by the traditional ones that it corroded. It has also not been able to create new equity and justice structures that are accessible by all its citizens. Poor people are now witness to the disappearance of many familiar, intelligible, relatable, traditional structures and their inbuilt functions that provided crucial support, with no new mechanisms in sight. In the absence of the traditional structures, when people who live in poverty are compelled to seek the welfare or redressal services of the state, often the engagement leaves them exhausted and irrevocably impoverished due to their arbitrary and corrupt nature. Usually, these engagements are at the edge of survival and made with great courage. The subsequent failure and exhaustion often push the person into the final abyss of poverty.

In few instances the corruption and arbitrariness of the state institutions and their agents is understood to be emanating not just from the digression from the avowed objectivity and fairness, but also from their insensitivity and inaccessibility. Often modern state agencies and their services are far away geographically.

Simply because modern state institutions and their functionaries remain heavily removed from the very life-world, mental and geographical horizons of the people, these institutions and the whole surfeit of practices they have unleashed have been grafted on to the traditional social structures while simultaneously de-legitimizing their

entrenched practices. Thus, traditional behavioural patterns and styles of relationship-building persist in the interstices of these institutions creating corrupt practices. These are not merely those of 'greasing palms' but is a complex phenomenon of patronage, money interests, gift giving, treating discharge of official duty as demonstration of benevolence and munificence. Once corrupt practices entrench themselves in these institutions, the hidden costs to avail the services of these institutions spiral. Worse still, are the visible costs to be paid to the lawyer and to the whole lot of paraphernalia. Thus, these institutions become distanced from the reach of the poor.

This perception that the state institutions are corrupt and arbitrary is further acutely felt in the context of the emphasis modern state has placed on economic growth and rational scientific ways of achieving this growth. Part of this approach is industrialisation and the growth of the economy as a means of national development, emphasis on large projects that supposedly provide large interventions instead of planning in small, incremental, time and need based steps. Many of these projects are based on western scientific knowledge and expertise rather than local wisdom. The very massiveness of these goals and projects paves the way for large scale corruption and arbitrariness. They are rarely sensitive to the needs of the people who are likely to be most affected by these projects and often defeat the very purpose they were intended to serve. They tend to see people as homogenised and equal while planning these projects, when no such equality occurs.

In people's perception the gamut of corrupt practices includes those acts that have been performed as discretionary acts. In a corrupt system, the discretionary power vested in law enforcers become an excuse for extortion. The discretion becomes a potent source for securing monetary advantage both from anyone who is willing to pay to become positive beneficiary of the discretion. In the scheme of things, the needs of the disempowered are ignored and the needs of those with resources get prioritized. Reshma's family lost their house when it was demolished as part of a 'beautification' drive for the development of the city. Besides her house, the thick shops and godowns in her area were demolished. Those who could pay were exempted though.

It is the perception of the people that the officials of the state are usually representatives of the powerful social strata and therefore demonstrate the community discriminatory activities in the performance of their duties. Government officials, more often than not, use their positions to make personal profit or to promote those who are within their networks – caste, community. Thus, the individual has to pay money to access virtually any service of the state. People who live in poverty are most vulnerable to this form of exploitation especially given that the state already tends to treat them as fugitives from justice.

People report that almost all forms of engagement with the state have some element of corruption in it. Each subsequent interaction – be it accessing services, seeking grievance redress or enumeration processes – impoverishes the person and delegitimizes the state's role in her existence. Since people living in poverty are also likely to be illiterate, resource less and powerless, the unavailability of these

elements places the power squarely within bureaucratic reach. And more often than not, they use this power to make some money. The payment to state officials starts from the time of registry of citizenship.

### Popular Explanations

In many of the narratives we have collected from the poorest, one often encounters arguments that bribes are in effect incentive payments for low-paid officials, and that they provide avenues to escape the burden of unrealistic government regulations, taxes, and laws. In this view, a frontal fight against corruption would result in a collapse of the system, because sullen subordinates would refuse to work in an environment that is efficiently policed against corruption. According to the logic of this line of argument, an active struggle against corruption would in fact be against public welfare because the benefits that clients are receiving even from a functioning corrupt system would be extinguished if the incentive of corruption is lost.

There are many weaknesses to this strain of reasoning. It presumes, first, that the public receives substantial benefits even from a corrupt public office. It has been pointed out that corruption leads to serious misallocation of resources away from areas of greatest need and thus social productivity. It also imposes high transaction costs on the client public, thereby, in fact shutting out even the target groups, leading to inefficiency in public expenditure.

A second perception that gets repeatedly expressed is that most government employees are motivated primarily by the wish to extort bribes from the client public.

It is people's apprehension that even criminal cases against corruption (leave alone civil proceedings), ultimately fail, either in the course of investigation or in the courts.

There are those who argue that the best solution is not policing but pay reforms to raise salaries, thereby reducing the marginal benefits of bribery. The government may be well advised not so much to raise salaries as to ensure fulfilment of at least middle-class aspirations of civil servants, for housing, transport, telephones and so on, to cushion from temptation at least the less vulnerable among them. However, it has not been demonstrated that higher salaries reliably depress corruption. Highly paid officials are not, as a rule, less corrupt than those paid low salaries.

It is also often argued that controlling corruption within public offices however desirable theoretically is virtually impossible to achieve in practice.

These popular explanations point towards the importance of including perceptions of the poorest and their concerns relating to corruption and arbitrary governance when evolving indices for measuring corruption.

## 5. Conclusion

In India corruption has come to occupy pride of place in the popular consciousness. It is repeatedly and variously comprehended in the everyday lives of Indians through myriad discursive practices. Movies, TV programmes

poetries and everyday interpersonal conversations are filled with issues of corruption. In these negotiatory domains corruption emerges as the foremost development problem. While still there is ambiguity in seeing corruption as noble when it produces positive effects for the wider society, still there is awareness that it is disastrous for a society in the long run. In this arbitrary governance ranks as the most destructive and devastating form of corruption, as the poor could see how its prevalence and persistence has pushed them to the deep recesses of the poverty across generations.

Contrary to the perception that the poorest have come to accept corruption as way of life of the world and have become a willing party to it, what ones sees inn the narratives is the striking display of hatred for corruption by the poor. Somehow, we have been given to understand hitherto that the poor themselves like to mire themselves in corrupt practices and would not mind benefiting from it, if there is speedy disposal of justice or service. But **the poor both at the individual and collective levels detest corruption with more intensity and show desire to move out of a corrupt world.** They have evolved significant strategies and methods by which they can live with and without it. It is expressed more at a personalised level than collective levels due to their immediate concern for survival.

For all those development thinkers who reserve and attribute the feeling of hatred to corruption and the resolve to eliminate it from the planet, it should come as a shock that the poor hate corruption more than them. This should result in the poor participating in policy making and organisation-management that aspire to root out corruption, rather than just in having a say and being involved in the delivery of existing programmes and determination of needs.

## References

- [1] Abraham, Amrita (1990) 'Does fighting corruption pay?' *Economic and Political Weekly*, May 26.
- [2] Brollo, F., & Troiano, U. (2018). What happens when a woman wins an election? Evidence from close races in Brazil. *Journal of Development Economics*, 133, 88–115.
- [3] Chambers, Robert, (1983) *Rural Development: Putting the Last First*, Longman, New York
- [4] Commonwealth Human Rights Initiative (CHRI) (1998) *Submissions to Legislators on a Right to Information Law*. CHRI, New Delhi.
- [5] Das, Veena (Ed.) (1990). *Mirrors of Violence*. Oxford University Press, New Delhi.
- [6] *Down to Earth* (2000) 'Right to know'. May 31.
- [7] George Moody-Stuart, (1997) *Grand Corruption in Third world Development*, World View Publishing, Oxford
- [8] Green, Maria. (2002), *Representing Poverty: Attacking Representations*, Paper presented at Chronic Poverty conference, London.
- [9] Hanna, R., & Wang, S. Y. (2018). Dishonesty and Selection into Public Service: Evidence from India. *American Economic Journal: Economic Policy*, 10 (3), 76–103.
- [10] Haragopal, G. (1994) 'Bureaucracy, Rule of Law and Human Rights'. *Indian Journal of Public Administration*, January – March.
- [11] Kauffman, Daniel Khan, Mushtaq H. (1996) 'A typology of corrupt transactions in developing countries. *IDS Bulletin*, Vol.27 (2).
- [12] Kothari, Uma and David Hulme, (2003). *Narratives, stories and tales: understanding poverty dynamics through life history*. London
- [13] Krishnan, R. (1996) 'The sticky business of the Hawala halwa'. *Business Line*, February 24.
- [14] Laing, R. D. (1990). *The Politics of Experience*. London: Penguin Books Ltd.
- [15] Lambsdorff, Graf Johan, (2001) Framework Document: *Background Paper to the 2001 Corruption Perceptions Index*, TI and University of Gottingen,
- [16] Lambsdorff, J. G. (2007). *The Institutional Economics of Corruption and Reform: Theory, Evidence, and Policy*. Cambridge University Press.
- [17] Mills C. Wright.1959 [1976] *The Sociological Imagination*. New York: Oxford University Press.
- [18] Naik, S. D. (1999)' Urgent need to downsize government'. *Business Line*, March 30, 1999.
- [19] Palmier, Leslie (1985) *The Control of Bureaucratic Corruption: Case Studies in Asia*. Allied Publishers, New Delhi.
- [20] Peiffer, C., & Rose, R. (2018). Why do some Africans pay bribes while other Africans don't? *Afrobarometer Working Paper* No.180.
- [21] Pope, Jeremy, TI Source Book (2001), *Confronting Corruption: The Elements of a National Integrity System*, Transparency International, 2000.
- [22] Popper, Karl, (1969). *Conjectures and Refutations*, Routledge, Routledge and Kegan Paul.
- [23] Ruggeri Laderchi, Caterina 2001. Participatory methods in the analysis of poverty: a critical review. *QEH Working Paper Series Working Paper* Number 62
- [24] Slim and Thomson, (1993), *Listening for a Change*, Panos, London
- [25] Trawick, Margaret, (1991). "Wandering Lost: A Landless Labourer's Sense of Place and Self, " in, Arjan Appadurai, Frank Korom, and Margaret Mills, (Eds). *Gender, Genre and Power in South Asian Expressive Traditions*, University of Pennsylvania Press.
- [26] United Nations Development Programme (UNDP) (1996) *Corruption and Good Governance*. Discussion Paper 3, Management Development and Governance Division, UNDP, New York.
- [27] Treisman, D. (2000). The causes of corruption: A cross-national study. *Journal of Public Economics*, 76 (3), 399–457.
- [28] Morris, S. D., & Blake, C. H. (2018). *Corruption and Politics in Latin America: National and Regional Dynamics*. Lynne Rienner Publishers.