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Challenges of Anti-Corruption and Its Impact on the Society

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Abstract

Corruption needs to be prevented and tackled not only because of its foul but also economically causes financial losses to the state and is a violation of the rights of the social and economic community. This paper is based on the growing need to eradicate corruption in society. The forms and causes of corruption, how to combat it, and what are the challenges to eradicating corruption are issues that are on the increase on national, regional, and international agendas. Transparency International Nepal, The United Nations Convention against Corruption, Commission for the Investigation of Abuse of Authority (CIAA), Nepal, the United Nations Convention against Transnational Organized Crime, U₄ – Chr. Michelsen Institute (CMI), the United Nations Declaration against Corruption and Bribery in International Commercial Transactions, and the International Code of Conduct for Public Officials are living testimonies. These calls to eradicate corruption present puzzles that scholarly investigations need to take the lead role and center stage in unraveling. This scenario reveals and demands both theoretical and practical discourse, understanding the concept of e-Government, its necessities, and challenges to implementing it.

Keywords: Anti-Corruption, CIAA, U₄-CMI, e-Government, moral depravity

Introduction

Background

Corruption is a term that has been perceived in various ways by various scholars. Its conceptualization has attracted in recent past competing and numerous views and approaches. It is therefore seen as a worldwide phenomenon that has long been with every society in the world. It has been identified as the bane of most political and economic problems in societies. The country that forgives corruption is often besieged with a lot of economic, political, and social vices.

Defining corruption is a challenging task that is not dependent on the moral or normative evaluations of the evaluator. So a definition of corruption is ethical, subjective, and complete confabulation of causes and consequences that would require prior agreement amongst all participants about the relevant normative values.

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According to Khan, corruption is an act that deviates from the formal rules of conduct governing the actions of someone in a position of public authority because of private - regarding - motives such as wealth, power, or status (Khan, 1996). "Corruption is the perversion of integrity or state of affairs through bribery, favor or moral depravity" ... It takes place when at least two parties have interacted to change the structure or processes of society or the behavior of functionaries to produce dishonest, unfaithful, or defiled situations." (Otite, 2000).

Corruption exists throughout the world, in developed and developing countries alike. In recent years there have been significant increases in the attention paid to corruption, in part due to a series of high-level corruption cases in industrialized countries, due to increasing awareness of the costs of corruption throughout the world, and due to the political and economic changes which many countries are undergoing. Corrupt practices span a wide spectrum, ranging from petty corruption whereby bribes are required before normal bureaucratic procedures are accomplished, to large-scale corruption whereby considerable sums of money are paid in return for preferential treatment or access. Corruption occurs in the political, economic, and administrative spheres.

Problem of the Statement

Corruption and its consequences hamper every aspect of the development of the country. Especially in developing countries like Nepal, corruption and its control become the main problem. Different political movements, as well as socio-economic transitions, corruption also contribute to the extension of corruption. For combating corruption, many strategies have been launched but no significant result is obtained. Thus this study will address the following statement of problems

- How does political instability or movements enhance corruption?
- How does corruption affect the form of socio-economic developments?
- e- Government/Governance is the best strategy for anti-corruption or not?

Objectives

The objective of this critical review is to summarize anti-corruption concepts, challenges, and to examine the consequences of corruption on Nepalese society and outcomes. The review also examines determinants of corruption and strategies to reduce corruption risks. This review aims to provide a current picture of how the situation of Nepalese society, officialdom, policies, and actors of the related field changed in recent years using updated information.

Methods and Methodologies

Methods

For this article, a critical review based on a systematic search of the literature in Google Scholar, PubMed, NepJOL, Web of sciences, reviewed background papers and many presentations and publications from NGOs/INGOs that were working on an anti-corruption campaign focusing specifically on Nepal as well as all around the globe.

Methodology

A brief description of the methods used is presented in this section. This covers

- Study area
- Data collection methods
- Statistical data analysis

Study Area

A study was conducted in Nepal referencing many rural/urban societies interlinking with many institutions as well as policy-making agencies that directly affect the system and norms of the country.

Data Collection Methods

Data were almost secondary and were collected through the systematic search of literature from many sources. Furthermore, secondary data were collected from different institutions such as Transparency International Nepal, Corruption Perception Index report (2021), U₄ – Chr. Michelsen Institute (CMI), Bergen, Norway, CIAA Nepal, etc., and other organizations.

Result and Discussion

Corruption: A Systematic Vice

Anti-corruptions are a complex ideology. It is a set of postulates about what corruption is, how it emerges, why it needs to be controlled, and how to control it. Like other discourses, antic is not about absolute truths but about the unstated limits on questioning these truths. There are controversies, of course: anti-corruption is full of debates about the precise definition of corruption, and whether corruption is a cause or effect of poverty, and whether corruption is a cause or effect of state inefficiency. (Sampsonon, 2010)

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Corruption is a systematic crime in an individual, society, or nation that reflects favoritism, nepotism, tribalism, sectionalism, undue enrichment, amassing of wealth, abuse of office, power, position, and derivation of undue gains and benefits. Corruption also includes bribery, smuggling, fraud, illegal payments, money laundering, drug trafficking, falsification of documents and records, window dressing, false declaration, evasion, underpayment, deceit, forgery, concealment, aiding and abetting of any kind to the detriment of another person, community, society or nation (Ojaide, 2000)

Corruption is now recognized as a global phenomenon, which has to be addressed coherently and consistently. The need for concerted action in Nepal is evident. Nepal has to become more integrated into the global economy and attract greater levels of foreign and domestic investment if it is to achieve the growth rate necessary to reduce poverty and improve the well-being of its population.

Corruption can be highlighted as the conscious attempt or deliberate diversion of resources from the satisfaction of the general interest to that of personal interest. The disdain for corruption is felt mainly on the ground of morality. There is no doubt that it inflicts some sort of adverse effects on any society where it exists and persists until such a society is purged of its immorality (Lawal, n.d.).

Corruption is a considerable obstacle to economic and social development around the world. It has negative impacts on sustainable development and particularly affects poor communities. It also raises transaction costs, undermines fair competition, impedes long-term foreign and domestic investment, and distorts development priorities. New and tougher anti-corruption regulations continue to emerge worldwide. All companies need robust anti-corruption measures and practices to protect their reputations and the interests of their stakeholders. The Tenth Principle of the UN Global Compact states that “Businesses should work against corruption in all its forms, including extortion and bribery.” Besides the important role of governments and business, the UN Global Compact recognizes the critical role civil society plays in the fight against corruption (UNGC, 2021).

Many institutional agencies recognize corruption as an ‘enormous obstacle to the realization of all human rights,’ and advocate transparency, accountability, non-discrimination, and meaningful participation as effective means to fight corruption. Corruption fundamentally undermines good governance, weakens health systems, and violates human rights. Governments and development partners are promoting anti-corruption efforts to control corruption in health systems across the globe; however, existing research does not provide a comprehensive picture of how these efforts align.

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It is therefore critical to look across the different frameworks used and consider the applicability of strategies in different settings.

During the mid to late 1990s the United Nations, the International Monetary Fund, the World Bank, the Organization for Economic Cooperation and Development, and several regional institutions, business organizations, and non-governmental organizations brought the corruption issue to the forefront of their agendas and began to lobby for measures intended to curb corruption. The nongovernmental organization Transparency International (TI) has played a central role in putting the corruption issue on the international agenda, through its field programs and lobbying efforts, and through its publication of the 'Corruption Perceptions Index and the newer 'Bribe Payers Index' (Transparency International, 2003). These policy developments have been informed and buttressed by a growing scholarly literature focusing on corruption and its effects, particularly its effects on economic development. (Hopkin, 2002)

Corruption is defined as an abuse of entrusted power for private gain. Corruption erodes trust, weakens democracy, hampers economic development, and further exacerbates inequality, poverty, social division, and the environmental crisis. Exposing corruption and holding the corrupt to account can only happen if we understand the way corruption works and the systems that enable it. Thus Anti-Corruption comprises actions taken to prevent, curb, or oppose corruption, and to mitigate its negative impacts. Anti-corruption efforts can take multiple forms depending on the situation this is due to those combating actions against corruption defined as corruption may vary depending on country and context.

The UN Convention Against Corruption (UNCAC), specifies that signatory countries must criminalize specific forms of corruption, including bribery of national and foreign public officials, embezzlement, misappropriation, diversion of property by public officials, trading in influence, abuse of functions, and illicit enrichment (Huter et al., 2019).

Hamper on Effective Delivery in the Society

Corruption is worse in countries where institutions, such as the legislature and the judiciary are weak, where rule of law and adherence to formal rules are not rigorously observed, where political patronage is standard practice, where the independence and professionalism of the public sector have been eroded and where civil society lacks the means to bring public pressure to bear. Once corruption becomes entrenched, its negative effects multiply. It induces cynicism because people begin to regard it as the norm. It undermines social values because people find it easier and

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more lucrative to engage in corruption than to seek legitimate employment. It erodes governmental legitimacy because it hampers the effective delivery of public goods and services.

Corruption dwarfs economic growth because it reduces the number of public resources, discourages private investment and saving, and impedes the efficient use of government revenue and development assistance funds. Strategies to limit corruption have to be realistic and achievable and tailored to the needs of particular countries. In other words, policies intended to address corruption have to be consistently implemented over the long term. Corruption is essentially a governance issue. Increased governmental accountability and transparency, enhanced public participation in decision making, strengthened public sector and civil society institutions, and greater adherence to the rule of law will not only improve governance but will help counter corruption.

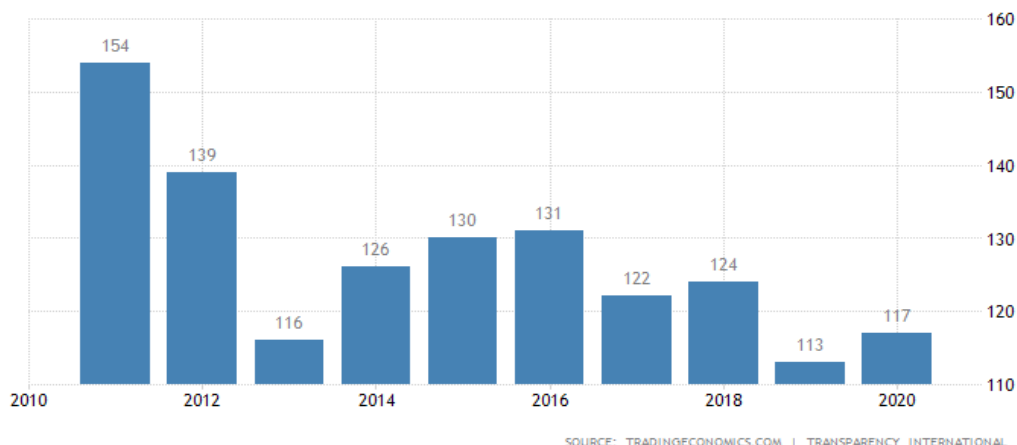
Forms of Corruption also play an important role to eradicate corruption and add more challenges to the anti-corruption process. Some forms of corruption are grand and petty corruption, active and passive corruption, bribery, embezzlement, theft and fraud, extortion, abuse of discretion, favoritism, nepotism, and clientelism, conduct creating or exploiting conflicting interests, improper political contributions, etc.

Role of CIAA Nepal

The Constitution of Nepal has made legal and structural provisions to guarantee good governance by ensuring equal and easy access of the people to the services and facilities delivered by the State while making public administration fair, competent, impartial, transparent, free from corruption, accountable, and participatory (National Planning Commission, 2021). Corruption is one of the major if not the principal reason for Nepal's underdevelopment. Like other developing nations, Nepal is in the turmoil caused by corruption. Misuse of power and authority leads to moral decay which is more dangerous than corruption itself. Corruption reduces competitiveness and increases cost and construction time, lowers the quality, and decreases the benefits significantly from any project. Politics has been the most profitable business in Nepal's context for many years. Sectors like the Judicial system, Police, Public service, Tax administration, customs administration, Public Procurement, Legislation, Civil Society, and, Natural resources department, etc. are other high-profit sectors for corruption (Risk and Compliance, 2021).

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The Corruption Perceptions Index ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's rank indicates its position relative to the other countries and territories in the index. The corruption Rank in Nepal increased to 117 in 2020 from 113 in 2019 (Transparency International, 2021).

Commission for the Investigation of Abuse of Authority (CIAA)

CIAA is a constitutional body for controlling corruption by investigating any abuse of authority committed through corruption by any person holding public office. The provisions of Articles 97 and 98 of the then Constitution of the Kingdom of Nepal (1990) had granted CIAA the status of an independent and autonomous constitutional body. The Interim Constitution of Nepal of 2006 gave continuity to the Commission and the present constitution has provisioned functions, duties, and authority to the Commission for controlling corruption. As per the spirit of the constitution, CIAA has adopted punitive, preventive, promotional, and institutional capacity development strategies against corruption.

CIAA's central office is located at Tangal, Kathmandu. It has eight outreach offices in Itahari (Sunsari), Bardibas (Mahottari), Hetauda (Makwanpur), Pokhara (Kaski), Butwal (Rupandehi), Birendranagar (Surkhet), Mahendranagar (Kanchanpur), and Nepalgunj (Banke). Nepalgunj (Banke) office serves as the liaison office for CIAA's Office in Burwell. Article 21a of The Commission for the Investigation of Abuse of Authority Act, 1991 stipulates that the Government of Nepal shall make arrangements as per the approved posts for the operation of the work of the Commission. As per the provision, a special class Secretary from the Government of Nepal, personnel from the civil service, Nepal Police, and other Government services are seconded at the Commission. The Commission for the Investigation of Abuse of

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Authority Act, 1991, The Prevention of Corruption Act, 2002, The Commission for the Investigation of Abuse of Authority Rules, 2002, and other relevant prevailing laws along with CIAA's procedures, directives, and guidelines are the base for the Commission to perform by adopting the principles of integrity, fairness and fearlessness (CIAA, 2021).

Challenges of Anti-Corruption

To understand the challenges of anti-corruption, we should know the cause of corruption first. Some causes of corruption are taxation, provision for goods and services at below-market prices, level of bureaucracy, level of public sector wages, etc. To eradicate corruption, e-Governance is the best option (Sheryazdanova& Butterfield, 2017) but still lacks some strategies to implement this (Rana et al., 2013). The challenges of anti-corruption can be broadly explained but we can elaborate them in terms of legal and operational challenges. Legal challenges include the definition of corruption by an act, a poor conception of the meaning of corruption, limited CIAA's mandate concerning law enforcement. These operational challenges cover operational parameters, coordination, and harmonization challenges facing the investigation initiatives, lack of anti-corruption programs, etc. (Amukowa, 2013).

In summary, challenges of Anti-corruption in Nepal can be pointed as

- Lack of understanding of the law enforcement officers on duties and responsibilities
- Lack of morality of apparatus
- Lack of functioning supervisory institutions

It is necessary to strengthen the anti-corruption regulatory agencies. There is a need to have a macro perspective and commitment and a corresponding dynamism for mitigating the impact of corruption in the economic and social aspects of the society and it needs to be reflected in the behavior (National Planning Commission, 2021). Failure to strengthen public opinion against corruption in the society, failure to bring the economic irregularities of the private sector completely under the scope of legal action, failure to develop a robust system of investigation, failure to make public services especially the procurement-related services and other services of direct concern to the citizens completely online, and failure to make the public services predictable by expanding them to all provinces and local levels are the major problems. Establishing corruption as a social crime by developing moral values in the society, enhancing good governance by controlling corruption in all sectors, and making the

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overall public service predictable by controlling new forms of corruption-related offenses are the challenges (National Planning Commission, 2021).

Conclusion

For proper combat against corruption, preparation of risk management plan covering the corruption prevention, evaluation, and monitoring parts are true. The anti-corruption programs or strategies are demanding not only the government sector but also in the private (public involving) sector too. Lack of the highest standard corruption awareness programs, poor implementation of existing act/law, shortages of corruption prevention procedures or methods are the main challenges for anti-corruption. Due to the corruption and shortage of anti-corruption strategies, developing countries like Nepal faced many obstacles in socio-economic development which are shown by various parameters published by many institutions working in the field of corruption control. It would be necessary of legal provisions are bring corruption-related activities and financial irregularities happening in the public, private, cooperative, community, and the non-governmental sectors as well under the scope of the law by revising the prevailing law as per the United Nations Convention against Corruption.

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