

Perception about Corruption in Public Services: A Case of Brics Countries

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Abstract

Purpose: As is increasingly recognized in academic literature and by international organizations, corruption act as major deterrent to growth and development. The aim of this paper is study the perception of general public about the corruption in BRICS countries (Brazil, Russia, India, China and South Africa). **Research Methodology:** This research is based on primary data i.e. questionnaire. The questionnaire were distributed in capital of each country i.e. Brasilia in Brazil, Moscow in Russia, Delhi in India, Beijing in china and Pretoria in South Africa. The questionnaire was mailed and uploaded on Facebook. The questionnaire was distributed to 150 people of each country. The data is analyzed with the help of graph and tables. **Findings:** It was found that state authorities initiate corruption. The main causes behind corruption are Public tolerance towards corruption, Absence of political will, Dominance of personal interest over state interest, Ineffective administration, Inefficient control and punishment mechanisms and Lack of independence of the judiciary system. It was observed that Police is the most corrupt service in BRICS countries. Majority of people from Russia, China and South Africa believe that their Government is effective in fighting with corruption while people of Brazil and India don't have faith in their Government regarding fighting with corruption. Media was found to be most trusted institution in fighting with corruption. The Judiciary should formulate strict law regarding corruption. **Originality/value:** This research will help Government to get idea about the thinking of general public about corruption in their country.

Keywords: Corruption, BRICS, Perception, Corruption perception index, growth and development

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1. Introduction

There are many different but overlapping definitions of corruption, from unethical behavior to political misconduct to bribe-taking to the sale of government property for personal gain (Shleifer & Vishny, 1993 and Svensson, 2005). Banerjee et al. (2011) defined corruption as an incident where a bureaucrat (or an elected official) breaks a rule for private gain. He used the term “bureaucrat” in this review to encompass all public employees or officials: not only government administrative staff, but also public school teachers, government hospital nurses, etc. The term “official” refers to bureaucrats and individuals in elected positions, while the term “elected official” specifies those that have been elected into office.

The phenomenon of corruption manifests itself in different forms: Grand corruption and Petty corruption. Grand corruption is generally committed by high level public officers who gain more benefits from abuse of their authorities. For example, a minister or a chief of a public organization can abuse his or her authority for private gain by committing corruption in public procurement. This is categorized as grand corruption because he or she gains a lot of money from doing so and it causes huge damage to society. On the other hand, petty corruption normally consists of routine practices committed by lower ranking public officers whose gain are not very big. When a traffic police officer abuses his or her authority by demanding money from a car driver who violated a traffic regulation in return for not issuing a traffic ticket, it is classified as petty corruption. Although just one instance of petty corruption does not cause gross social harm, all such petty acts together destroy the government’s credit vis-à-vis the citizenry and eventually result in huge damage to society as well. Corruption occurs in both public and private sectors. This paper will nevertheless focus on corruption in the public sector.

Over the last few years, the issue of corruption—the abuse of public office for private gain—has attracted renewed interest, both among academics and policymakers. The increased attention can be attributed to realization among international development expert that development requires, above all, good governance. Advice on sound policies, well intentioned incentives and aid efforts seem not to achieve their desired objectives, unless these are offered in environment that stimulates self-sustaining growth and development. There is also mounting realization that unsuitable policies do not always result from lack of knowledge about what the best policies should be.

Rather, they may result just as much from decision makers distorting their policies for their own interests (Coolidge & Rose-Ackerman, 1997; Grossman & Helpman, 1994; Krueger, 1993a and Krueger, 1993b). Even public recognizes that greatest obstacle to the development may be corruption in the public sector. One consequence of this heightened interest in the quality of governance has been desire to gain better understanding of corruption. Corruption is not restricted to a particular country or a region, but it appears to be a global problem and its causes particularly huge damage to developing countries, especially in terms of bribery and fraud in public procurement.

Since 1995, Transparency International (TI) publishes the Corruption Perception Index (CPI) annually ranking of countries "by their perceived levels of corruption, as determined by expert assessments and opinion surveys."

The CPI ranks of countries/territories based on how corrupt their public sector is perceived to be. It is a composite index, a combination of polls, drawing on corruption-related data collected by a variety of reputable institutions. In 2013, the index scores 177 countries and territories from 0 (highly corrupt) to 100 point (very clean) based on perceived levels of public sector corruption. . A country's rank indicates its position relative to the other countries and territories included in the index. Table 1 presents the comparative statistic of BRICS about CPI since 2002.

Table1: Comparative Statistics of BRICS about CPI since 2002

No. of cour	Highest CPI Score & R CPI Score & Rank of BRICS			
102	Finland	(9.7)	Brazil	(4.0) 45
	Denmark	(9.5)	Russia	(2.7) 74
	New Zealand	(9.5)	India	(2.7) 71
			China	(3.5) 59
			South Africa	(4.8) 38
133	Finland	(9.7)	Brazil	(3.9) 54
	Iceland	(9.6)	Russia	(2.7) 87
	Denmark	(9.5)	India	(2.8) 83
	New Zealand	(9.5)	China	(3.4) 66
			South Africa	(4.4) 49
146	Finland	(9.7)	Brazil	(3.9) 59
	New Zealand	(9.6)	Russia	(2.8) 95
	Iceland	(9.5)	India	(2.8) 90
	Denmark	(9.5)	China	(3.4) 71
			South Africa	(4.6) 46
159	Iceland	(9.7)	Brazil	(3.7) 63
	Finland	(9.6)	Russia	(2.4) 128
	New Zealand	(9.6)	India	(2.9) 88
			China	(3.2) 78
			South Africa	(4.5) 46
163	Finland	(9.6)	Brazil	(3.3) 70
	Iceland	(9.6)	Russia	(2.5) 121
	New Zealand	(9.6)	India	(3.3) 70
			China	(3.3) 70
			South Africa	(4.6) 51
180	Denmark	(9.4)	Brazil	(3.5) 72
	Finland	(9.4)	Russia	(2.3) 143
	New Zealand	(9.4)	India	(3.5) 72
			China	(3.5) 72
			South Africa	(5.1) 43
180	Denmark	(9.3)	Brazil	(3.5) 80
	New Zealand	(9.3)	Russia	(2.1) 147
	Sweden	(9.3)	India	(3.4) 85
			China	(3.6) 72
			South Africa	(4.9) 54
180	New Zealand	(9.4)	Brazil	(3.7) 75
	Denmark	(9.3)	Russia	(2.2) 146
	Sweden	(9.3)	India	(3.4) 84
			China	(3.6) 79
			South Africa	(4.7) 55
178	Denmark	(9.3)	Brazil	(3.7) 69
	New Zealand	(9.3)	Russia	(2.1) 154
	Singapore	(9.3)	India	(3.3) 87

			China	(3.5)	78
			South Africa	(4.5)	54
183	New Zealand	(9.5)	Brazil	(3.8)	73
	Denmark	(9.4)	Russia	(2.4)	143
	Finland	(9.4)	India	(3.1)	95
			China	(3.5)	59
			South Africa	(4.1)	64
176	Denmark	(90)	Brazil	(43)	69
	Finland	(90)	Russia	(28)	133
	New Zealand	(90)	India	(36)	94
			China	(39)	80
			South Africa	(43)	69
177	Denmark	(91)	Brazil	(42)	72
	New Zealand	(91)	Russia	(28)	127
	Finland	(89)	India	(36)	94
	Sweden	(89)	China	(40)	80
			South Africa	(42)	72

Source: website of Transparency International

2. Literature Review

The body of theoretical and empirical research that objectively addresses the problem of corruption has increased considerably in 1990s (Elliot, 1997; Coolidge & Rose-Ackerman, 1997; Gill, 1998; Girling, 1997; Mauro, 1995; Paul & Guhan, 1997; Shleifer & Vishnay, 1998; Staphenhurst & Kpundeh, 1998).

Cantens et al. (2010) presented the formulation, implementation and evaluation of the use of performance contracts between the Customs Director General and Frontline Officers conducted at the Cameroon Customs.

Bryane and Polner (2008) examined the problems of the legislation in place and action planning as well as refer to the issue of the best organizational model to combat corruption. He concluded that implementation of a risk management system and introduction of investigation and prosecution mechanisms can be effective in reducing corruption. Anderson and Gray (2006) analyzed corruption in several Eastern European countries in 2002-2005. He found that customs related bribery decreased in many countries due to systematic efforts to combat corruption that included the revision of legislation, implementing risk analysis, random audit and stronger enforcement and sanctions mechanisms.

He observed that international cooperation has positive impact on streamlining procedures in these countries which they assert led to improve efficiency and lower corruption.

Basu (2006) studied theoretical perspective of corruption and its relevance for economic growth. He observed that theoretically it is impossible to have a corruption-free society or economy. Corruption has its roots in market imperfection of any form. He found that in developing countries, once policy-initiated corruption starts, it often generates its own force and becomes a dominant factor over political, economic and social interests.

Pellegrini and Gerlaugh (2004) have estimated the direct and indirect effects of corruption on economic growth using regression analysis. They found that 'one standard deviation increase in the corruption index that is associated with a decrease in investments of 2.46 percentage points, which in return decreases economic growth by 0.34 per cent per year'. However, Lambsdorff (2003) identified clear impacts of corruption on net capital inflows. His analysis revealed that a country's law and order tradition is a crucial sub-component for attracting capital.

Rock and Bonnett (2004) observed that corruption adversely affects the growth through reduction the investments in small developing countries in general, it did increased growth in the large East Asian industrializing economies.

Roth (2002) referred corruption as an unintended consequence of social welfare theory. He observed that Government intervention was justified to reconcile competitive and ethical equilibria that were how the corruption could be introduced. He concluded that Government interventions in any form motivated by perceived market failures that may lead to political rent seeking and may spread to other areas.

Waller et al. (2002) explained two structures of corruption exist in practice in governments – top-down and bottom-up. Under the top-down structure, decisions are made at the highest level of the hierarchy and lower-level officials get whatever is given to them. The other structure is decentralised.

Lower-level officials collect corruption rents (e.g. bribes) and the highest ranking official is just one of the recipients.

The first structure was mostly prevalent in former socialist economies, whereas a freer/capitalist/open economy tends to have a decentralised system. According to Bardhan (1997), the structure of corruption has changed from top-down level (in former USSR) to bottom-up level in present Russia and the problem has become much more acute.

Mo (2001) explained the relationship between corruption and economic growth with ordinary least squares estimations. He observed that a 1% increase in the corruption level reduces the growth rate by about 0.72%.

The studies carried out by Johnson, Kaufmann and Zoido-Lobaton (1998) and Fisman and Gatti (2002) found a positive correlation between corruption and the size of the unofficial economy. But some studies have contrary findings like Treisman (2000), Ali and Isse (2003). They found a positive impact of state intervention, means state intervention reduces the level of corruption. Above all, Lambsdorff (1999) found that government involvement neither increases nor decreases the level of corruption; the poor institutions are the main sources of corruption.

Research Gap

The paper is primarily motivated by several reasons. Firstly, no study has been conducted on perception about corruption in public services. Secondly, most of the studies are conducted on developed countries. There is lack of study regarding to under developing countries. Through this study researcher try to fill up this gap.

3. Research Methodology

This research analyzed the perception of people about corruption in BRICS countries (Brazil, Russia, India, China and South Africa). The questionnaire were distributed in capital of each country i.e. Brasília in Brazil, Moscow in Russia, Delhi in India, Beijing in china and Pretoria in South Africa. The questionnaire was mailed and uploaded on Facebook. The questionnaire was distributed to 150 people of each country. The sampling was based on convenience and 100 participants successfully answered with response rate of 66.67%. The results are analyzed with the help of tables and graphs.

4. Data Analysis and Results

4.1. Respondents' Profile

Table 1 represents the demographic profile of respondents. In BRICS countries, majority of respondents were male; belonged to the age group of "31-45". The biggest educational group was of vocational education except china. The largest percentage of interviewed respondents was private sector employees.

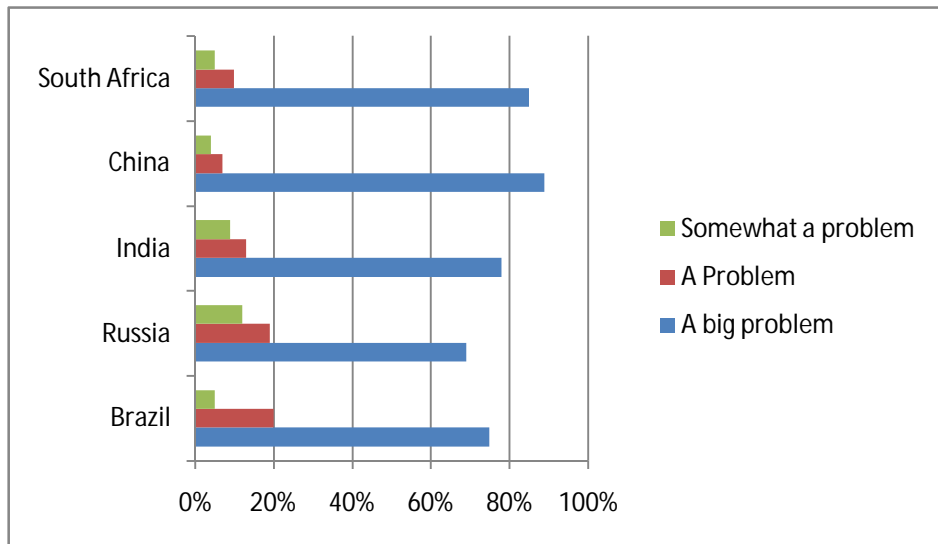
Table 1: Demographic Profile of Respondents

Profile	Classification	Brazil (%)	Russia (%)	India (%)	China (%)	South Africa (%)
Gender	Male	68	61	71	65	72
	Female	32	39	29	35	28
Age	18-30 years	16	21	32	28	35
	31-45	49	54	51	48	49
	46-60	28	18	15	16	10
	61 and more	7	7	2	8	6
Education Background	Incomplete secondary	15	9	10	19	23
	Secondary	19	18	16	23	25
	Vocational	32	31	32	28	19
	Higher Secondary	21	18	23	17	24
	Scientific degree	13	24	19	13	9
Occupation	Public sector	18	21	23	19	20
	Private sector	49	51	58	52	58
	Self Employed	20	19	10	19	13
	Student	13	9	9	10	9

4.2. Public Perceptions of Corruption

The public were asked about their perceptions of corruption in their home country. People were asked whether corruption is a problem in their country. Majority of people from BRICS countries believe that corruption is a big problem in their country.

Fig 2: Is Corruption a Problem in Your Country?



The survey captures views on whether people feel that overall corruption levels have increased or decreased in recent years. In BRICS countries, almost two third people answered that they feel corruption level has increased in last three years.

Fig 3: How has the Level of Corruption been Changed in Your Country?

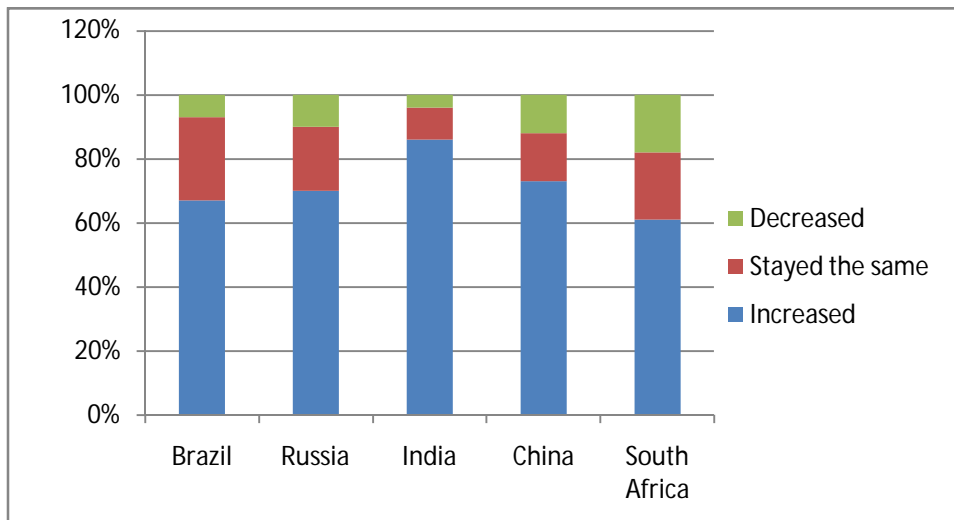
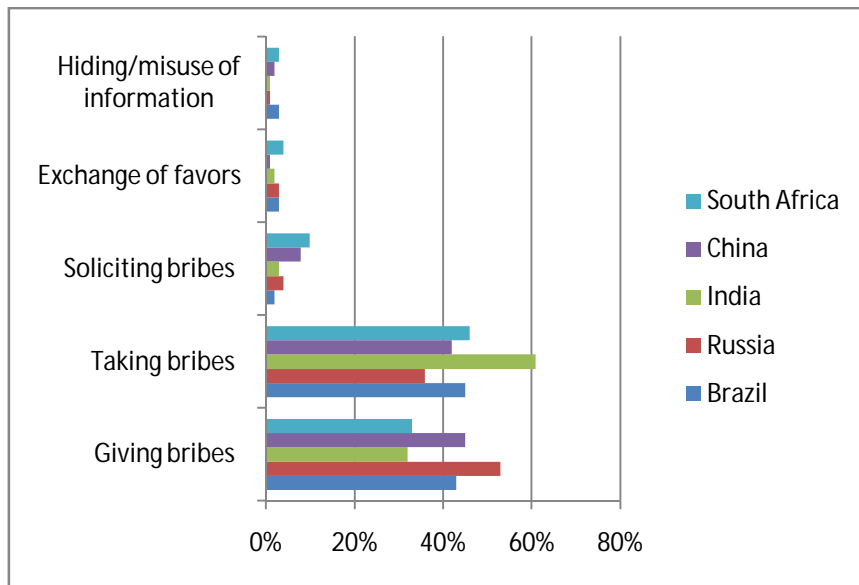


Fig. 4 shows that “giving bribes” and “taking bribes” are the most frequent answers to the question related to manifestations of corruption in BRICS countries. However, people of South Africa and China considered soliciting bribes as manifestation of corruption.

Fig 4: Which of the Listed Below Would You Consider to be a Manifestation of Corruption?



When asked “Who initiates corruption in your country?”, the large number of respondents pointed state authorities as the first choice, ordinary citizen as the second choice and political parties as the third choice in Russia, India, China and South Africa. While in Brazil, respondents pointed Ordinary Citizen as the first choice; state authorities as the second choice; and political parties as the third choice.

Fig 5: Who Initiates Corruption?

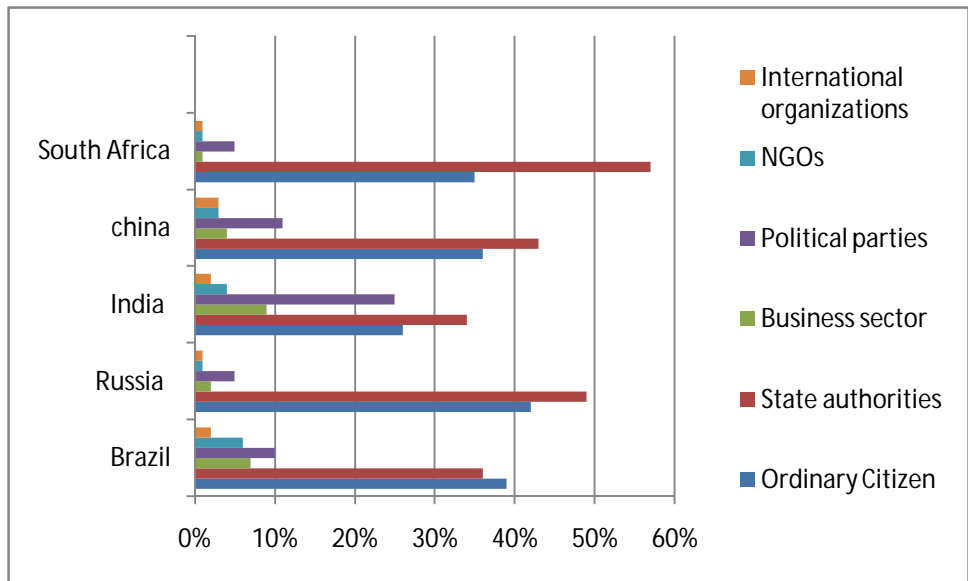


Fig 6 reports the level of Government System where corruption occurs. Almost half of interviewees said that corruption exist at every level of Government system.

Fig 6: Where does Corruption Occur in Your Country's Government System

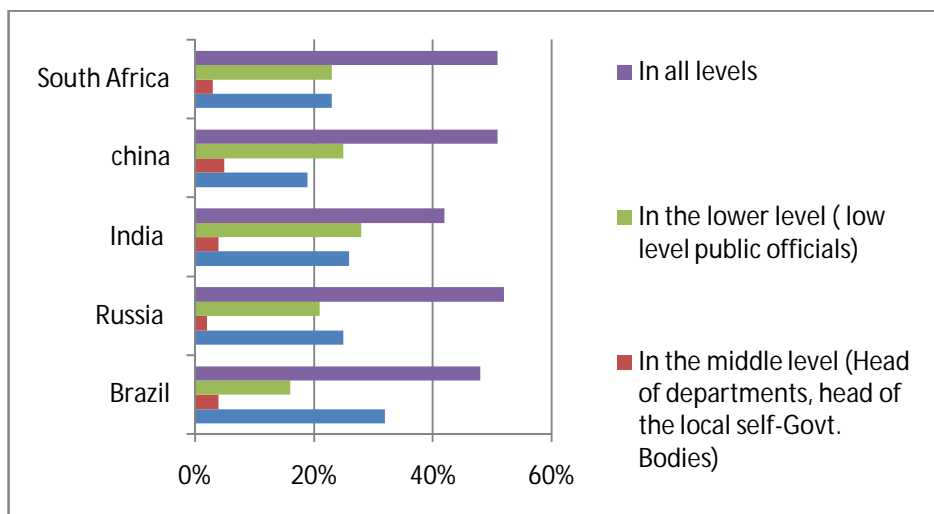


Table 7 shows main causes of corruption in BRICS countries. The overwhelming majority of interviewees said that the main causes of corruption in BRICS countries are Public tolerance towards corruption, Absence of political will, Dominance of personal interest over state interest, Ineffective administration, Inefficient control and punishment mechanisms and Lack of independence of the judiciary system

Table 7: Main Causes of Corruption

Main causes of corruption	Brazil		Russia		India		China		South Africa	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Absence of political will	76%	24%	68%	32%	86%	14%	64%	36%	69%	31%
Dominance of personal interest over state interest	68%	32%	54%	46%	49%	51%	56%	44%	50%	50%
Illegal state intervention into activities of non-state actors	13%	87%	10%	90%	15%	85%	9%	91%	11%	89%
Imperfect legislation/regulations/procedures	33%	67%	28%	72%	24%	76%	25%	75%	28%	72%
Poor law enforcement	34%	66%	36%	64%	40%	60%	37%	63%	28%	72%
Ineffective administration	69%	31%	63%	37%	84%	16%	62%	38%	56%	44%
Lack of independence of the judiciary system	58%	42%	51%	49%	64%	36%	54%	36%	60%	40%
Inefficient control and punishment mechanisms	73%	27%	67%	33%	78%	22%	69%	31%	65%	35%
Lack of transparency and accountability in the public sector	55%	45%	57%	43%	54%	46%	59%	41%	61%	39%
Unfavorable socio-economic conditions	15%	85%	18%	82%	23%	77%	29%	71%	11%	89%
Public tolerance towards corruption	84%	16%	89%	11%	92%	8%	87%	13%	83%	17%

Table 8 shows the level of corruption in different services. Police was the most corrupt service in BRICS countries. Registry and permit services and Tax revenue services were also considered as highly corrupt services by people of BRICS countries except South Africa where judiciary was ranked as second corrupt service. Medical services were ranked as least corrupt service in BRICS countries.

Table 8: Corruption in Different Services

Services	Brazil		Russia		India		China		South Africa	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Police	69%	31%	71%	29%	96%	4%	67%	33%	77%	23%
Land service	46%	54%	40%	60%	38%	62%	32%	68%	29%	71%
Registry and permit services	59%	41%	62%	38%	71%	29%	53%	47%	49%	51%
Tax revenue	55%	45%	53%	47%	51%	49%	59%	41%	48%	62%
Customs	49%	51%	42%	58%	41%	59%	52%	48%	39%	61%
Judiciary	39%	61%	32%	68%	45%	55%	49%	51%	52%	48%
Utilities	42%	58%	44%	56%	47%	53%	41%	59%	46%	54%
Education system	28%	72%	34%	66%	23%	77%	38%	62%	39%	61%
Medical services	16%	84%	20%	80%	30%	70%	10%	90%	8%	92%

Figure 9 represents the opinion of people regarding last bribe paid by them. In Brazil, Russia and China, majority of people (67%) said that they paid bribe to receive a service entitled to. It is also observed that Indian people paid bribe to speed up things while South African people paid it to avoid problems with the authorities.

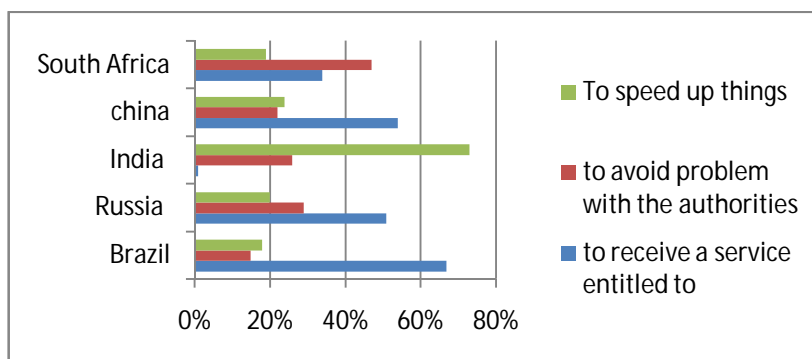
Fig 9: Why Last Bribe Was Paid

Figure 10 represents the views of people on Government effectiveness in fighting with corruption. Majority of people from Russia, China and South Africa believe that their Government is effective in fighting with corruption while people of Brazil and India don't have faith in their Government regarding fighting with corruption.

Fig 10: Government Effectiveness in Fighting with Corruption

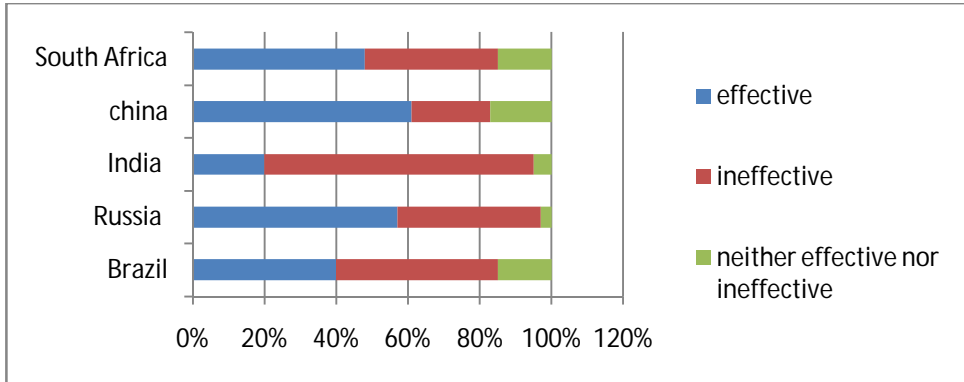
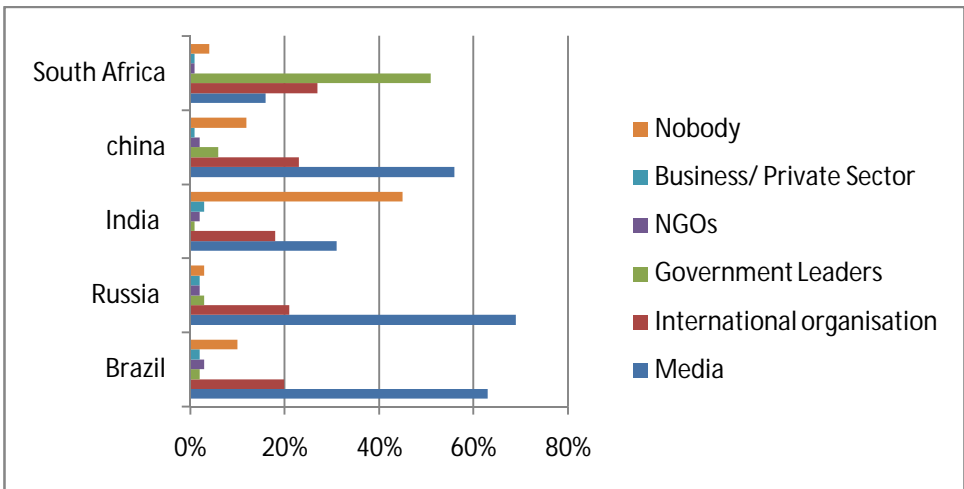


Figure 11 reports the results of institution most trusted by people to fight corruption. Government leaders were most trusted to fight corruption in South Africa while Indian people didn't trust anybody in fighting with corruption. The people from Brazil, Russia and China had faith on Media in fighting with corruption.

Fig 11: Institutions Most Trusted to Fight Corruption



5. Conclusion

Corruption is a major problem with long history. Strong link exists between corruption and economic growth.

It is inappropriate to relate it with third world absolute poverty only. Relative poverty also generates corruption to a significant extent. So it is not a problem exists in developing countries only. There could always be interested parties in all countries who are the direct beneficiaries to maintain the system with high element of corruption. This study analyzed level of corruption in BRICS countries and its causes. It was found that state authorities initiate corruption. The main causes behind corruption are Public tolerance towards corruption, Absence of political will, Dominance of personal interest over state interest, Ineffective administration, Inefficient control and punishment mechanisms and Lack of independence of the judiciary system. It was observed that Police is the most corrupt service in BRICS countries.

Majority of people from Russia, China and South Africa believe that their Government is effective in fighting with corruption while people of Brazil and India don't have faith in their Government regarding fighting with corruption. Media was found to be most trusted institution in fighting with corruption. The Judiciary should formulate strict law regarding corruption. In addition to the various sanctions of law enforcement agencies to combat corruption, social networks or solidarity of the people can effectively strengthen anti-corruption measures by giving the information to the justice authorities. Finally, education can be a sustainable anti-corruption measure in which the government should invest. An academic curriculum should inculcate the moral values of the citizenry as well as anti-corruption measures for children who will become the government officers of the future.

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