

Tech-ing on corruption

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It is important to understand that threat of investigation and even conviction doesn't deter the criminal mind. (Representational image)

Scams relating to public procurement and government approvals have generally entailed key individuals exercising discretion in favour of a (generally) undeserving party against a more deserving party. The 2G scam and the coal allocation scam both involved, broadly, allegations of ineligible bidders succeeding. Recent cases on approval to foreign investment applications have raised questions on abuse in relation to grant of approvals. Both scenarios place considerable discretionary powers in favour of individuals and reveal a system where checks and balances failed.

Disproportionate discretionary powers with poor checks and balances have brought us to this situation. Despite guidelines from the Supreme Court on exercise of discretionary powers, rules providing for approval from the Cabinet/minister, and threats of investigation and conviction, the canker of corruption flourishes unabated. While the government has tried legislative and policy measures, these have clearly

not made a difference to corruption in India. In light of the failure of legislative measures, it may be time to think of a new approach—the use of technology.

It is important to understand that threat of investigation and even conviction doesn't deter the criminal mind. Imminent death (including a curse!) didn't deter Ravana, and it didn't deter Professor Moriarty. Clearly, it didn't deter Ramalinga Raju or Raj Rajaratnam.

It is important to note that these transactions engendering corrupt practices aren't limited to million dollars' worth of investments in India and possible government contracts. At the end of the day, discretionary power which a government servant holds over the common citizen is what facilitates touts, middlemen and bribes in even the most mundane and routine transactions such as getting a telephone connection, passport, driving licence etc.

Looking at the issue with a different perspective, indicative answers were given by the ministry of finance's own suggestion to make tax administration smoother for tax payers and minimise harassment of honest tax payers. An amendment was made to the Income Tax Act, 1961 to eliminate interaction between the assessing officer and the taxpayer. The amendment provides for eliminating the interface between the Assessing Officer and the assessee in the course of proceedings to the extent technologically feasible (S. 143(3A)).

An electronic interface between a government servant and the citizen will ensure that all communications are in writing and that everything is official about it. The benefits of such a scheme is seen in the Passport Office where an online appointment system and document uploading measure reduces discretionary powers and arbitrariness. The ministry of corporate affairs, too, has created an online platform which enables persons to incorporate a company from the comfort of their living room.

In the context of a more complex transaction, like foreign investment approval, most government approvals can be gotten merely by submission of an application through an online platform where an applicant registers with the relevant government agency. Generally, applicants do not get a hearing before taking a decision—whether

it is before an authority under the state government or a body such as erstwhile Foreign Investment Promotion Board.

An extreme form of such an application (applied in some examinations) is keeping the identity of an applicant anonymous to ensure that there are no allegations of favouritism or discrimination. Such a measure would significantly minimise—if not completely eliminate, scope for corrupt activities in transactions relating to approval and government permission. Some transport offices are using sensors in driving tests—eliminating possibility of abuse by inspectors.

Even without drastic use of technology, such as distributed ledgers for tracking integrity of documents, biometrics for tracking approvals, digital signatures and private keys for authenticating documents, using electronic interface is a small measure to root out corruption. Online trackers that helps applicants ascertain their status—independently and in relation to other comparable applicants— will also ensure there isn't any arbitrariness in the decisions. Without violating the identity rights of individuals and using only an application number, applicants will be able to ascertain if they have been unfairly treated or the application is unreasonable delayed.

Given that most government departments and offices are not dealing with issues related to national security, all senior government officers and ministers (central and state governments), should share their appointment schedule online to ensure transparency. Transparency and greater accountability of state officials demand that meetings between corporates and public servants are made transparent and official. The law does not prohibit companies (or any class of citizens) from meeting with legislative representatives, ministers or senior officers in the government and make representations. However, in the interest of transparency and for the greater common good, it is imperative that the people of India are aware of all the people their elected representatives and the bureaucrats are meeting with.

An oft-repeated complaint about electronic documents is the absence of a physical record. However, they do provide a digital footprint, essential for an ex-post investigation. The use of biometrics, where relevant, will tie users to transactions. Measures as simple as CCTVs and network logs will track access to documents.

Corruption will not be solved through only legislation. With a little bit of help from technology and some ingenuity, law enforcement agencies may be able to stay one step ahead of the criminal. These measures will supplement the existing measures and with more such measures, corruption in India can be substantially minimised.

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