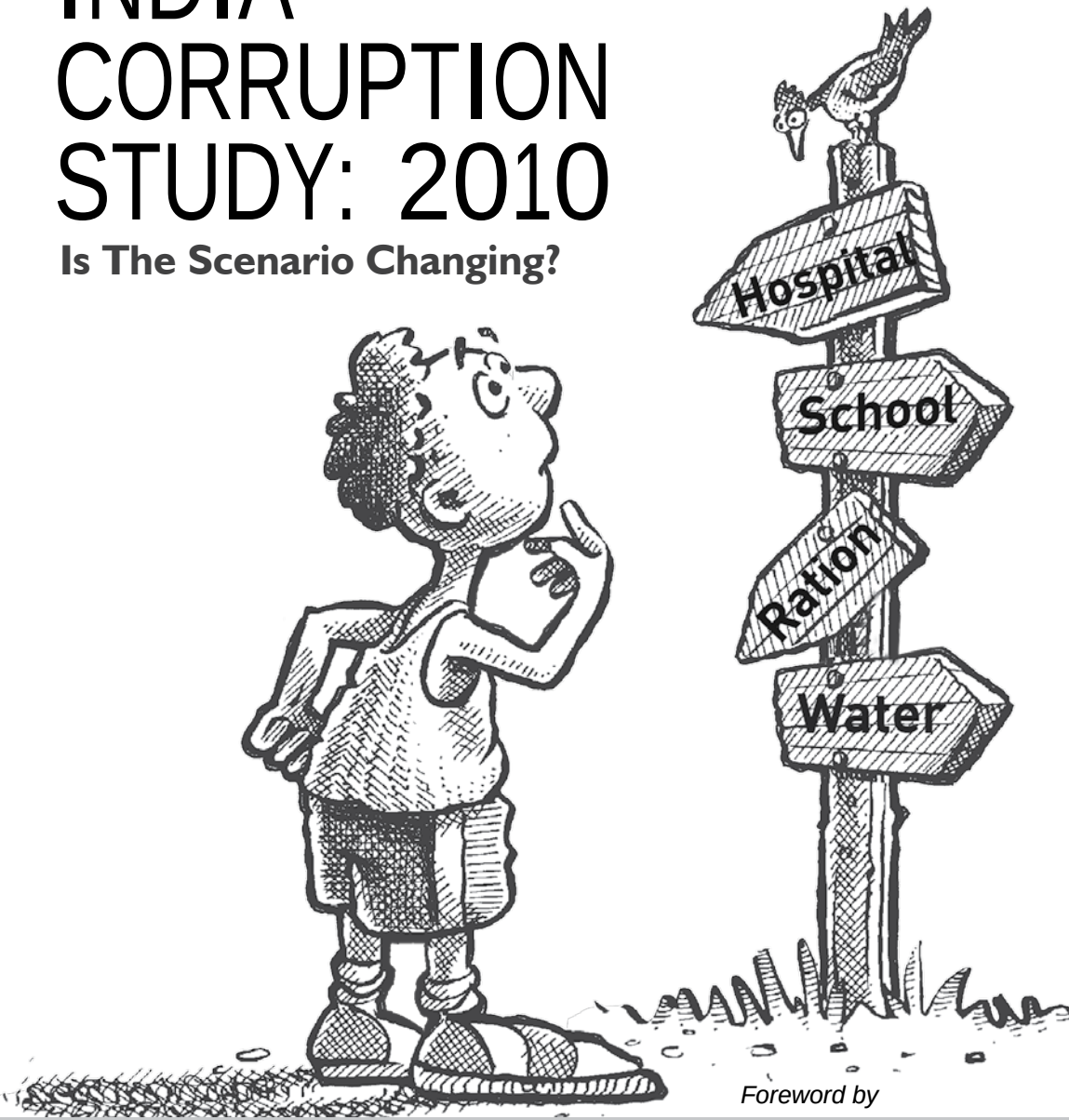
INDIA CORRUPTION STUDY: 2010

Is The Scenario Changing?



Foreword by

Ms Aruna Roy
Dr Jayaprakash Narayan

20 years
of concerns & commitment
CMS

CMS transparency

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Content

Foreword

India has been preoccupied with corruption for as long as we can remember. But Bharat has been a victim and has fought against a system that destroys its right to life and livelihood. The right to know, as Prabhash Joshi held, is the right to live. Ajit Bhattacharjea who was closely associated with CMS in his last years also fought for the right of the poor to make informed choices, to know and to survive with dignity. Two eminent journalists and citizens of India, whose concern for the victims of injustice made them friends, comrades and mentors to activists across the country.

The poor fight against corruption, and become victims of the arbitrary use of power. This seventh edition of studies undertaken by CMS (the first came out in 2000) has come at a time when a big campaign has raised its voice against corruption. But this report represents a large section of India, very specifically the poor, the subjects of Bharat who seldom find space in Indian media. By covering PDS, Schooling, Water supply and Hospitals, this report looks at the fundamental concerns of the poor. The bribe paid by these households merely to survive, brings into sharp focus a set of concerns that should engage the interest of the media, as the fourth estate, to fight the system on their behalf.

The publication renews standards for the attention of the media. In the release of the findings of the India Corruption Study- 2010, the Centre for Media Studies has placed these concerns in the centre of a growing discourse. It may be useful for CMS to take on more numbers of such studies to facilitate both implementation and governance.I am sure that this will help make focused and practical interventions in scaling down corruption, and increasing people's right to survive with dignity with justice.

26th April 2011

Aruna Roy
Social Activist
Founder, Mazdoor Kisan Shakti Sangathan (MKSS)

Foreword

21st April 2011

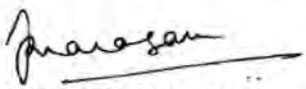
Everybody knows – or they think they know – that there is a lot of corruption in India. But in order to be able to do something about it, we need reliable empirical data. The well-known corruption perception index of Transparency International is not based on empiricism; it is merely the perception of select businessmen and others about a country. In order to promote meaningful interventions to reduce corruption and improve governance, we need quantitative evidence, and sectoral data (because corruption is not uniform in all services). We also need to capture trends over time, circumstances compelling citizens to pay bribes, and policy and procedural interventions which have succeeded in reducing the burden of corruption.

Over a decade, Centre for Media Studies (CMS) has been doing pioneering research which has deepened our understanding of corruption in various sectors and regions in India over time. Where we relied on anecdotal evidence and conjectures for decades, CMS has been supplying us hard data and quantitative evidence. What is more conscious effort has been made to appreciate the nuances in a complex phenomenon of corruption, rather than indulging in sensationalism and head-line grabbing. For instance, CMS research has established clearly the regional and sectoral variations, and has also captured the changing trends and shifting nature of corruption. CMS studies clearly show that in some sectors governmental interventions have had a positive impact. Similarly evidence shows that in some sectors, with increasing choice and competition in service delivery, corruption is shifting from service-delivery end towards the policy-making and patronage-dispensation end. The improvement of telecom services at the consumer level is thus accompanied by huge corruption in spectrum allocation.

The painstaking work of CMS has thus established two things. First, corruption is not static; it is neither inevitable, nor immutable. It is a dynamic phenomenon linked to policies, delivery systems, competition, choice, transparency and accountability. Second, governance initiatives have a significant impact on corruption, provided they are well-thought out and durable.

This report – **India Corruption Study : 2010** – is a well-reasoned summary of the findings of the seventh survey of CMS on corruption. The report is rich with data and insights, as it is based on the CMS model of perception, experience and estimation (PEE). In each survey CMS has been focusing on select sectors. This time, nearly 10,000 rural households have been surveyed in eleven states to gather corruption data in four key sectors impacting the poor – public distribution, school education, water supply and hospital services. It is revealing that in these basic services the Indian state remains very weak, and corruption is high. Despite great emphasis laid on Bharat Nirman, Right to Education, National Rural Health Mission, and food security in recent years, the quality of services is appalling low, and corruption is unacceptably high. Hundreds of billions of rupees are spent on these programmes, but the poor are not benefiting adequately. Policy makers and administrators would do well pay close attention to this data and act quickly to set things right.

Government leaders, administrators, academia, civil society leaders and thinkers are indebted to CMS for the reliable, rich sources of information gathered and presented in these corruption studies.



Dr Jayaprakash Narayan
President – Lok Satta Party
General Secretary, Foundation for Democratic Reforms
MLA, Kukatpally Assembly Constituency (AP)

Preface

The concern of CMS studies on corruption in public services, continue to be the citizen. Our effort has been to understand and highlight the predicament faced by the poor in accessing public services. The India Corruption Study 2010 focuses on rural households and four basic services that are relevant to them.

Since 2000, in each round of these studies on corruption, CMS also focuses on fine tuning research methodologies while also maintaining consistency with previous rounds for comparability. Initial rounds of these studies bring out the significance of segregating both perception and actual experience in general and in specific context. One significant reason for this incongruence is the media projection and coverage of the issue of corruption in general. News media trend analysis by CMS Media Lab validate this media inclination to emphasize corruption involving known personalities and often not concerned with corruption faced by common person in context of public services.

Understanding this correlation and also the distinction between experience and perception of corruption is critical for a way forward along with initiatives for corrective measures. For example, the actual giving of bribes to access particular service verses general perception of the respective department as corrupt is interrelated, yet distinctive. Similarly, taking or giving bribes in specific context and perception of corruption in general are disparate. The PEE (Perception, Experience and Estimation) model of CMS studies on corruption is an attempt to facilitate proactive initiatives not just by government but also by civil society and even by citizens.

The current wave of mobilisation against corruption across the country ignited by Anna Hazare's movement is encouraging. However, to further counter the overwhelming feeling of negative perceptions, this enthusiasm should not limit to the Lokpal Bill. It is also critical for citizen and civil society to maintain vigil on the functioning of public services and institutes. Reports and studies like this 2010 India Corruption Study should help in this process. The next round of survey will focus on urban poor and would perhaps also reflect post-Lokpal bill scenario.

We seek your suggestions and participation in making CMS studies on Corruption more relevant and effective.

In solidarity,

P N Vasanti
Director, CMS

April 23, 2011

I. India Corruption Study 2010

1.1 Background

India Corruption Study (ICS) 2010 is the seventh edition of studies undertaken by CMS since 2000 and fourth in the last five years. The purpose of this and earlier rounds has been to provide a reliable tool for improving governance. In an effort to engage like-minded agencies, the last two rounds of the CMS India Corruption Study had Transparency International India (TII) as a partner. The current and earlier rounds of India Corruption Study (hereinafter referred as ICS) have focused on general population's (*aam aadmi*) perception and experience with public services. However, scams and allegations of irregularities coming in news media in recent past do influence people's perception about extent of corruption in public services. As per CMS Media Lab analysis of the trend in corruption coverage in prime-time bulletins by the six television news channels during 2005 to 2010 show almost four times increase in percentage of time given for news stories on corruption.

Since the first round of the India Corruption Study in 2000, CMS has been constantly experimenting with the research methodology to focus on regions and sections of the society that desire specific attention on the extent of corruption in public services. The present report, based on ICS 2010 undertaken by CMS, focuses on household level survey in rural areas of twelve states. This is due to the policy emphasis on the rural sector over the last five years, and the substantial resources spent by the government in rural health, water and sanitation, and school education.

Unlike previous rounds, exit interviews were not conducted for two reasons- one, the services being 'basic' in nature and not 'need-based', getting statistically sufficient number of rural households, which have interacted with the particular service in context will not be difficult; two, the household survey will be able to capture the experiences of rural households with regard to different purposes for which they visited the public service under study.

1.2 The CMS Model

One of the salient features of CMS India Corruption Study has been its PEE model. The uniqueness of the CMS PEE model is that it is not limited to quantifying "perception" in general terms. The model quantifies the experience of corruption to access public services and estimates in monetary terms the resources expended by citizens due to corruption in

the system. Most other indices, including the global index by Transparency International, are based only on perception. Also, a second feature of CMS PEE model is that it involves a large sample of users of specific public services which compares the perception and experience of corruption more efficiently.

This report brings out, first, general perception (P) of rural India about corruption in public services and in specific context of the four public services. The second section discusses rural households experience (E) again in general and specific context of each of the four public services. The third section brings out the estimation (E) of bribe amount paid by rural households of the twelve states in the four public services covered in this round (2010).

The four public services are public distribution system (PDS), school education (up to class 12th), water supply services and hospital services.

To bring out a comparative picture, the present report has compared with ICS 2005 round data of only rural households of the eleven states, covered during the round. Tripura was not visited during ICS 2005. The twelve states covered in this round are Andhra Pradesh, Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal.

Round	Rural Households surveyed
2010	9960
2005	8228

Source: ICS 2010

1.3 Methodology

In ICS 2010, 9960 households in 664 gram *panchayats* (approx. 2000 villages) of 12 states across the country were visited. The households were selected using three-stage stratified sampling method. The first stage was selection of districts, followed by selection of gram panchayats and third and final stage was selection of households. The districts and *gram panchayats* were selected using Probability Proportional to Size (PPS) method, where probability of selection of a sampling unit (village in this case) is proportional to the size of its population. Prior to selection of households, household listing exercise was carried in all the villages of the selected *gram panchayat.* In each gram panchayat, 15 households were selected using Systematic Random Sampling (SRS) method. The household survey was carried out in the month of August-September, 2010.

1.4 Key Interventions

Between 2005 and 2010, CMS observes that the factors which might have contributed in containing corruption in some of these public services are

(1) Opening up of the services for private participation breaking monopolies

(2) Competition and increased concern for market and the users

(3) Use of new communication technologies like computerization including for better public interface

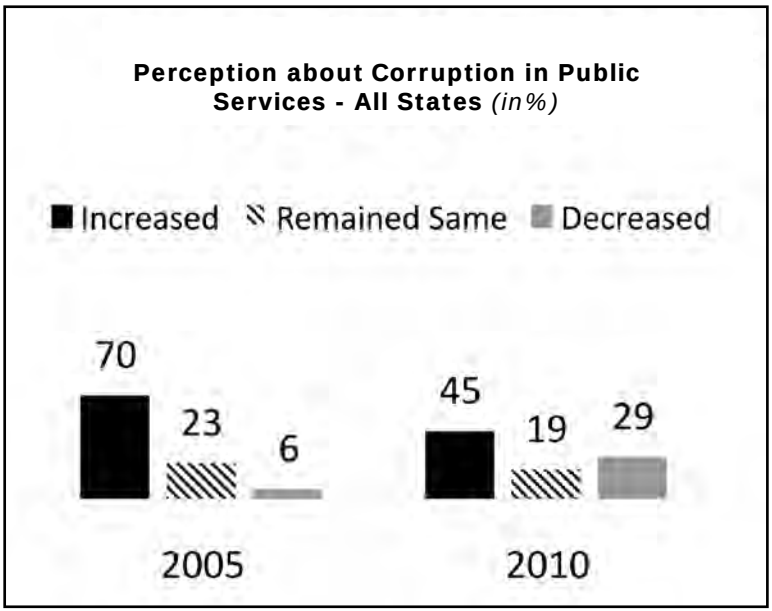
(4) Use of research in developing responsive systems

(5) Concern for redressal mechanisms

(6) Dynamic news media.

1.5 Perception about Corruption in Public Services-General

In ICS 2010, 45 percent of the rural households opined that 'corruption has increased' in public services in the previous one year. Compared to ICS 2005, a decline of 25 percentage points is noticeable. However, a significant, 19 against 23 percent of rural households in both the rounds felt that the level of corruption has remained the same in public services.



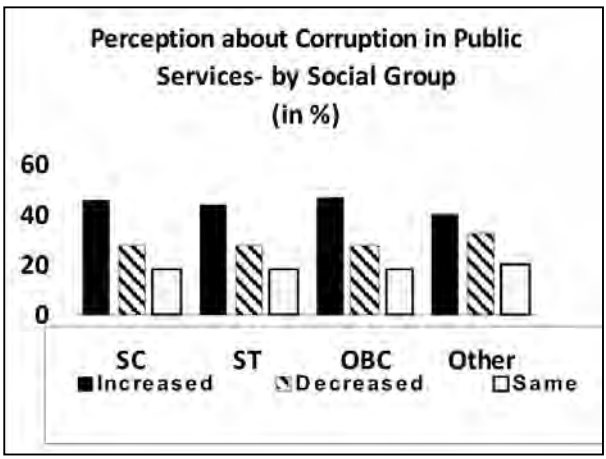
Source: ICS 2010

Perception about Corruption in Public Services- in General *(in %)*

State-Rural (in alphabetical order)	Increased		Decreased		Remained Same	
Rounds	**2005**	**2010**	**2005**	**2010**	**2005**	**2010**
Andhra Pradesh	73	35	9	39	18	17
Bihar	87	66	1	21	12	8
Chhattisgarh	68	66	6	12	25	11
Haryana	75	42	4	29	21	19
Himachal Pradesh	44	40	6	23	50	29
Karnataka	84	27	1	41	14	27
Kerala	56	59	11	13	28	26
Maharashtra	78	44	4	24	16	20
Rajasthan	65	54	7	21	26	18
Tripura	Not visited	19	Not visited	59	Not visited	15
Uttar Pradesh	63	49	6	29	28	16
West Bengal	72	33	8	34	17	19

Source: India Corruption Study 2005 & 2010

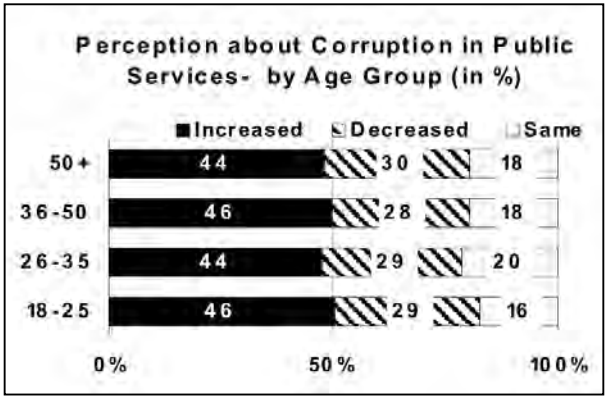
Comparing the two rounds of ICS ('05 and '10), across states indicate overall decline in general perception about corruption in public services. But in 2010 the percentage of those who think corruption has increased in the previous year is high in Bihar and Chhattisgarh (66% each) and low as 19% in Tripura and 33% in West Bengal but it was 59% in Kerala (also ruled by the Left Front).



Source: ICS 2010

Amongst the most affected by corrupt practices in public services are socio-economically weaker sections of the society, particularly in rural areas. Review of the findings of ICS 2010 by

social group provides evidence of this fact. More than 40 percent of the rural households belonging to OBC and SC social group felt that the level of corruption has increased in public services during the previous one year while 28 percent each from OBC, SC and ST categories opined that the level of corruption has remained same as in the previous year.



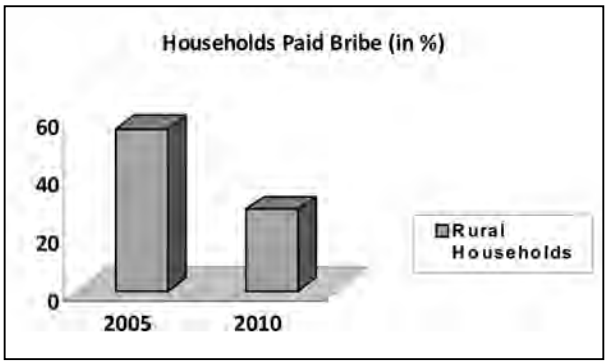
Source: ICS 2010

Another important aspect to be assessed is perception about corruption in public services of respondents belonging to different age groups. ICS 2010 shows that both young and old hold similar perception about corruption in public services during the previous year, as evident from the graph above.

1.6 Experience of Corruption-in General

One of the highlights of several rounds of CMS India Corruption Study over the years has been to capture experience of corruption in availing public services in the last one year.

Experience along with perception gives better insight for assessing the gravity of the situation and helps take correctives.



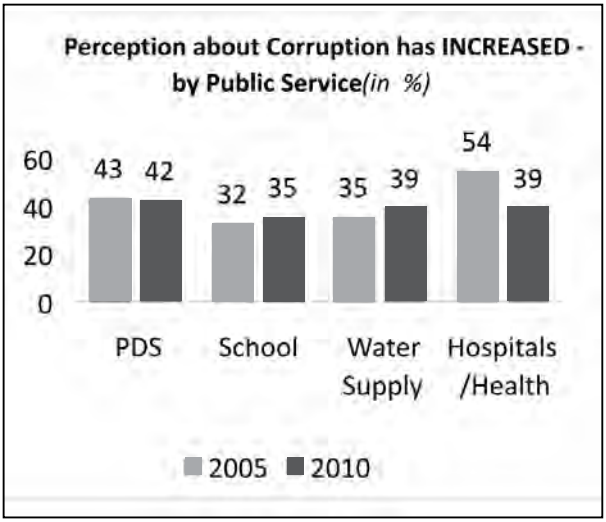
Source: ICS 2010

An analysis by income level indicate that three out of four rural households which had to pay bribe in any of the public services have monthly household income of INR 5,000 or less, indicating the high dependence of economically poor households on these public services.

Compared to ICS 2005, overall the percentage of rural households which paid bribe has come down exactly by half (28% from 56%). However, in states like Chhattisgarh (55%), Bihar (52%), Kerala (46%) and Maharashtra (40%), a high percentage of rural household paid bribe to avail the services of a public service during the last one year preceding ICS 2010 survey.

1.7 Perception about Corruption-Specific to Public Services

In addition to rural households' perception and experience with corruption in general during the previous one year, ICS 2010 focused on four specific public services. These are public distribution system, school (up to class 12th) services, water supply services and hospital services. These services are not only critical but could be considered a lifeline for the population, particularly rural households. They are also the core of good governance.



Source: ICS 2010

In ICS 2010, the rural households' perception about corruption specific to a public service shows that the percentage of rural households, which felt that corruption has increased, is around 40 percent in each of the four public services.

In ICS 2005, rural households' perception about increase in level of corruption in these four public services varied between 32 percent (school) and 54 percent (hospital).

Comparison between two rounds shows that while the household's perception about corruption in public services, in general, has shown a declining trend but when it comes to specific to the four public services, perception about corruption level in these services has not shown a significant change over the last five years, except in hospital services.

1.8 Difference between Perception and Experience

Perception (P) is seen as a function of exposure of own and others and accumulated impressions but not necessarily based on experience (E). It is therefore important to assess the difference between perception about increase in level of corruption and experience of households with corruption in public services.

(in %)

Services	Perception (P)		Experience (E)		Difference (P-E)	
Round	**2005**	**2010**	**2005**	**2010**	**2005**	**2010**
PDS	68	42	8	22	60	20
School (up to class 12th)	70	35	13	15	57	20
Water Supply	64	41	7	16	57	25
Hospital	65	39	21	19	44	20

Source: India Corruption Study-2005 & 2010 (rural households in 12 states

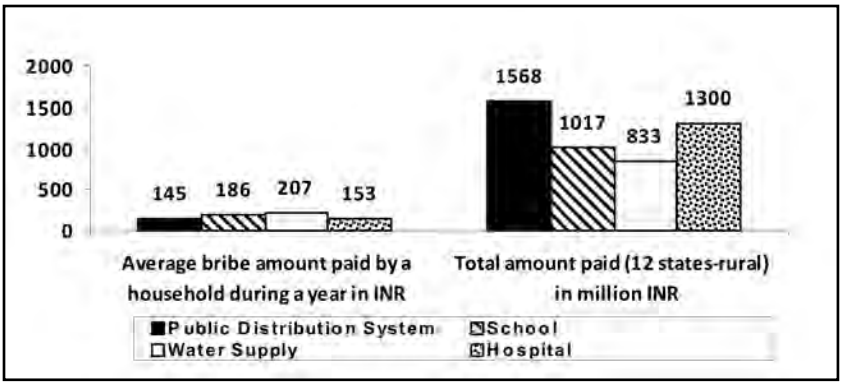
In 2010, the difference between P and E for the four services ranges between 20-25 percentage points. In 2005, the difference between P and E in the four public services ranged between 44-60 percentage points. The narrowing of difference between perception and experience in ICS 2010 compared to ICS 2005 suggests that households' perception is not far from experience.

In 2010, compared to 2005, amongst the rural households which interacted with a particular public service, the proportion which paid bribe has shown an increasing trend, except in hospital services, where the decrease is marginal.

Noticeably in PDS, despite several reports highlighting leakages in food distribution right from godown to the fair price shop (FPS) level, the government initiatives have not made much difference. Compared to 2005, the increase in the percentage of rural households paying bribe in PDS services is almost two and half times more in 2010. One of the reasons for more rural households paying bribe in PDS services is that possessing a ration card is considered to be an important document for availing other benefits under different government schemes.

1.9 Estimation of Bribe Amount Paid

The estimation of bribe amount paid by the rural households in the rural areas of the twelve surveyed states brings out that an amount of INR 4718 million was paid as bribe during the last one year in the four public services. Going by Outcome Budget document of Union Ministry of Rural Development, the total expenditure made under MGNREGS during the year 2010-11 in states such as Assam, Gujarat, Himachal Pradesh, Kerala and Maharashtra is equal or less than the total amount paid as bribe by the rural households in the twelve states surveyed. The percentage of rural households that paid bribe during the last one year was relatively higher in PDS (11.5%) followed by hospital (9.0%), school (5.8%) and water supply (4.3%).



Source: ICS 2010

On an average in a year, a rural household paid around INR 164 as bribe to avail the services of the four public services. It is pertinent to mention that these figures are only for rural households.

Another important aspect of CMS ICS is to estimate percentage of households which were asked to pay bribe but could not afford to pay bribe. In this round (2010), the percentage of such households in each of the four public services is PDS (6.2%), school (5.1%), hospital (4.8%) and water supply (4.1%).

II. Public Distribution System

The public distribution system (PDS), one of the largest distribution networks providing food grains at lower than market price. Particularly for poor and vulnerable households it is a major source for ensuring food security. PDS has come under scanner for inefficiencies in its operations at various levels, existence of 'ghost' ration cards and the diversion and misappropriation of food grains at different levels.

2.1 Government Initiatives to Strengthen PDS

In last five years, interventions have been made by the government for the better implementation of the PDS. For instance, a revised Citizens' Charter was issued in 2007 for adoption and implementation by the State/UT Governments for facilitating its use by citizens as per provisions of Right to Information Act, 2005, in relation to functioning of the targeted public distribution system (TPDS). Along with this, the central government under Plan Schemes for Strengthening of TPDS has components like Training, Research and Monitoring and Innovative Scheme for curbing leakages/diversion of foodgrains meant for TPDSScheme.

Two important concerns based on budget estimate and expenditure pattern are-one, under both the components of Plan schemes, expenditure has decreased in 2008-09 compared to the previous Financial Year (2007-08); and two, the expenditure on PDS-Evaluation, Monitoring & Research is less than allocated budget. The later one being an important activity for curbing corruption needs utmost priority.

Further, to curb leakages/diversion of food grains meant for TPDS, government took up piloting of innovative/new technologies such as Global Positioning System (GPS) to track the movement of vehicles carrying PDS food grains but during 2008-09, the expenditure under this scheme could not be made as proposals for sanctioning of amount were not received by the Central government from the states. This clearly brings out the lack of strictness on part of state governments across the country.

2.2 Households interacted with PDS services

The present round of ICS (2010) brings out that less than half of the rural households interacted with PDS services during the last one year. Compared to ICS 2005, the proportion of rural households which interacted with PDS services has come down by about 10 percentage points.

State	Rural Households (in %)
Andhra Pradesh	43.2
Bihar	71.0
Chhattisgarh	62.4
Haryana	45.4
Himachal Pradesh	72.9
Karnataka	48.0
Kerala	60.3
Maharashtra	46.8
Rajasthan	58.9
Tripura	76.4
Uttar Pradesh	38.9
West Bengal	37.2
States covered-Average	**49.3**

Source: ICS 2010

An important concern therefore is why rural households are moving away from one of the sought after public services. Though government's figure suggests that off take of food grains (wheat and rice) is around 90 percent of the total allocation but households buying food grains from fair price shops under PDS is less than 50 percent. Is the leakage and diversion of food grains to open market continuing despite Supreme Court, CAG, media and civil society organizations regularly reminding about these irregularities in PDS?

2.3 Perception about Corruption in PDS services

Services under PDS are not showing significant improvement is further reflected in this round of ICS. A significantly high percentage of rural households (40%) felt that there is an increase in the level of corruption in the PDS services.

An important concern therefore is why rural households are moving away from one of the sought after public services. Though government's figure suggests that off take of food grains (wheat and rice) is around 90 percent of the total allocation but households buying food grains from fair price shops under PDS is less than 50 percent. Is the leakage and diversion of food grains to open market continuing despite Supreme Court, CAG, media and civil society organizations regularly reminding about these irregularities in PDS?

Level of Corruption in PDS in the last one year *(in %)*

State	Increased		Remained Same		Decreased	
Rounds	**2005**	**2010**	**2005**	**2010**	**2005**	**2010**
Andhra Pradesh	73.1	42.2	17.3	36.2	9.6	21.6
Bihar	91.4	62.1	8.6	17.8	0.0	20.1
Chhattisgarh	47.8	57.6	18.9	30.2	4.4	12.2
Haryana	76.1	45.3	17.4	35.1	6.5	19.6
Himachal Pradesh	41.4	25.5	51.3	39.5	7.2	35.0
Karnataka	87.1	36.7	11.5	40.3	0.7	23.2
Kerala	55.0	33.9	18.5	43.3	5.3	22.8
Maharashtra	73.3	34.8	19.9	43.3	5.1	21.9
Rajasthan	66.2	48.1	27.0	36.5	5.4	15.4
Tripura	-	20.6	-	34.6	-	44.9
Uttar Pradesh	64.0	50.4	26.5	30.6	6.1	18.9
West Bengal	72.3	34.3	15.4	22.0	8.7	43.7
States covered-Average	**67.9**	**41.5**	**21.0**	**34.8**	**5.3**	**23.7**

Source: ICS 2010 and 2005; @Not visited in 2005

**5.8% -Don't know/Can't Say(ICS 2005)*

In 2010, around 42 percent rural households opined that the level of corruption in PDS has increased during the last one year; howevercompared to ICS 2005, this percentage has come down by 26 percentage points.

Inthe states such as Bihar (62%), Chhattisgarh (58%) and UP (50%), more than half of the rural households feel that there is an increase in the level of the corruption in PDS services.

2.4 Experience of Corruption in PDS services

Around 29 percent rural households paid bribe or were asked to pay bribe during the last one year preceding ICS 2010. In Chhattisgarh, more than 60% rural households out of those interacted with PDS services paid bribe. Other states where a sizeable percentage paid bribe for PDS services are West Bengal and Bihar (43% each). In states like Andhra Pradesh (10%), Kerala (17%) and Tripura (18%), relatively lesser percentage of rural households paid bribe or were 'asked to pay bribe' to avail PDS services.

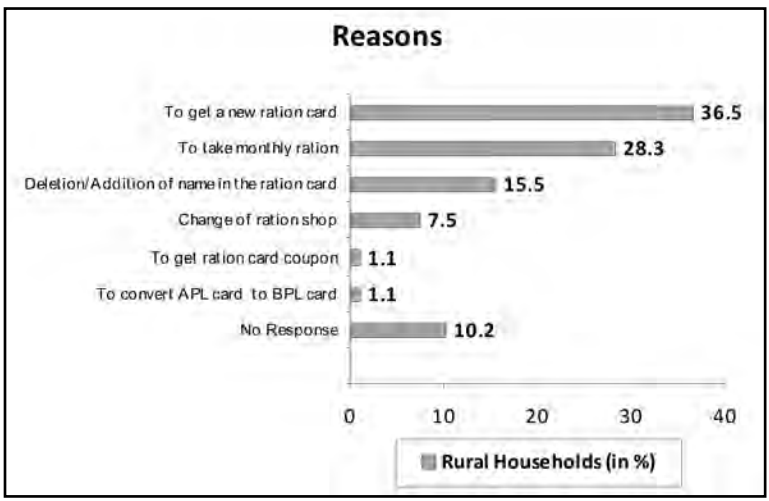
(in %)

State	Rural Households	
	Paid Bribe	Asked but did not pay bribe
Andhra Pradesh	7.7	2.6
Bihar	34.2	8.4
Chhattisgarh	48.5	11.8
Haryana	18.8	11.4
Himachal Pradesh	17.6	3.6
Karnataka	39.2	7.2
Kerala	12.2	4.6
Maharashtra	25.2	4.2
Rajasthan	23.3	10.1
Tripura	14.6	3.4
Uttar Pradesh	18.5	6.9
West Bengal	37.7	5.6
States covered-Average	**22.3**	**6.2**

Source: ICS 2010

2.5 Reasons for Paying Bribe

Among the reasons for which rural households paid bribe or were asked to pay bribe are 'to get a new ration card (37%)' followed by 'to take monthly ration (28%)'.



Source: ICS 2010

No change during the last five years as far as reasons for paying bribe is concerned.

2.6 Estimation of Bribe Amount Paid

In ICS 2010, around 22 percent of the rural households which interacted with PDS services paid bribe in the last one year. In addition to this, as high as 6 percent of rural households could not pay bribe and were deprived of availing PDS services during that period. The average amount paid by a household in a year was around Rs 145. The bribe paid by households for various purposes ranged between as low as Rs 5 and as high as Rs 800. For example, to get an application form to apply for a ration card, some households paid Rs 5 while to get a BPL ration card, without being eligible for the same or having no supporting documents, some households paid Rs 800. It is estimated that in PDS services, Rs 1568 million was paid by around 10.81 million households out of 94.06 million rural households in twelve states covered in this round of ICS.

(in INR)

Purpose of Paying Bribe	Average	Range
To get new ration card	167	5-800
To take monthly ration	133	5-700
Deletion/Addition of name in the ration card	133	5-800
Change of ration shop	119	15-750
Convert APL card to BPL card	87	40-200
Ration Card Coupon	60	40-100

Source: ICS 2010

III. School Services

To track the progress of the states towards Universal Elementary Education (UEE), for Primary and Upper Primary levels as well as for a composite look at Elementary Education, the National University of Educational Planning & Administration (NUEPA) has developed an Educational Development Index (EDI). Based on the DISE data for the year 2007-08, in the primary level education, Puducherry, Delhi, Lakshadweep, Tamil Nadu and Kerala are the top five states and UTs, whereas Kerala, Lakshadweep, Puducherry, Chandigarh and Delhi are the top five states and UTs in the upper primary level.

The above findings brings out that among the states surveyed in ICS 2010, except Kerala, none of the remaining states figure in top five states in terms of EDI either at primary or upper primary level.

3.1 Households interacted with School Services

In ICS 2010, a little more than36 percent of the surveyed rural households interacted with regard to school education (up to class 12th) services. The states where around half of the surveyed rural households interacted with the education department and/or schools during the last one year are Andhra Pradesh, Bihar, Himachal Pradesh and Kerala.

State	Rural Households (in %)
Andhra Pradesh	51.0
Bihar	52.6
Chhattisgarh	38.3
Haryana	34.3
Himachal Pradesh	49.5
Karnataka	32.8
Kerala	48.6
Maharashtra	44.0
Rajasthan	47.6
Tripura	41.0
Uttar Pradesh	28.1
West Bengal	24.3
States covered-Average	**36.4**

Source: ICS 2010

3.2 Perception about Corruption in School Services

In ICS 2010, the percentage of rural households which feel that the level of corruption has increased in school education services is around 35 percent. Compared to 2005, the percentage of such households has declined by almost half i.e. from 70 percent to 35 percent. However, a very sizeable proportion (38%) feels that there is 'no change' in the level of corruption during the preceding one year.

Perception about Corruption in the last one year *(in %)*

State	Increased		Remained Same		Decreased	
Andhra Pradesh	68.3	54.5	20.6	35.1	11.1	10.5
Bihar	88.3	42.5	10.2	19.9	1.5	37.6
Chhattisgarh	70.3	31.1	19.8	54.7	4.5	14.3
Haryana	78.1	29.7	17.2	49.2	3.1	21.1
Himachal Pradesh	45.8	19.2	49.0	48.6	5.2	32.2
Karnataka	82.0	27.5	14.4	29.0	1.4	43.5
Kerala	55.2	15.0	19.4	66.0	9.0	19.0
Maharashtra	73.5	35.5	21.4	41.7	4.1	22.9
Rajasthan	65.6	35.4	24.6	47.9	8.2	16.7
Tripura	-	27.9	-	32.0	-	40.1
Uttar Pradesh	65.1	40.1	27.0	37.5	6.6	22.4
West Bengal	64.6	21.1	16.7	37.7	17.7	41.1
States covered-Average*	**70.0**	**35.4**	**21.4**	**38.2**	**6.3**	**26.4**

Source: ICS 2005 and 2010

**2.3% -Don't know/Can't Say(ICS 2005)*

The states where a relatively higher percentage of rural households feel that corruption has increased during last one year are Andhra Pradesh (55%), Bihar (43%) and Uttar Pradesh (40%). While in states like Kerala (66%), Chhattisgarh (55%), Haryana and Himachal Pradesh (49% each), around half of the rural households feel that level of corruption has remained same compared to the last one year.

3.3 Experience of Corruption in School Services

In this round (2010), around 15 percent of the rural households which interacted with school services during the last one year paid bribe. Another 5 percent were asked to pay bribe but did not pay.

Among states where relatively higher percentage of rural households paid bribe or were asked to pay bribe during the last one year are Maharashtra (35%), Bihar (24%) and Tripura (23%).

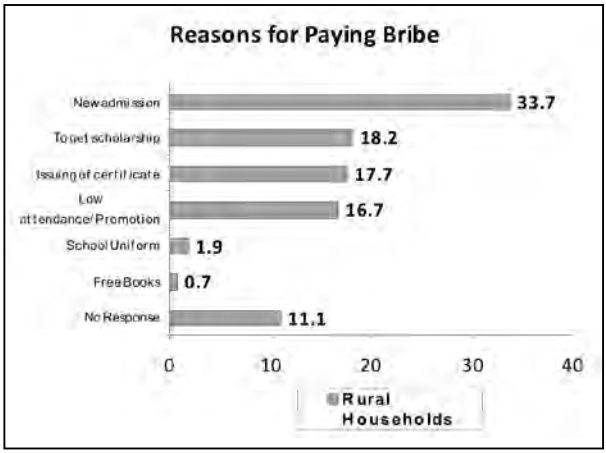
Kerala (6%) and Andhra Pradesh (8%) are the two states, where corresponding figures are in single digit, thus indicating lesser prevalence of corruption in government school in the two states.

State	Households *(in %)*	
	Paid Bribe	Asked but did not pay bribe
Andhra Pradesh	5.2	2.6
Bihar	18.1	5.4
Chhattisgarh	19.9	1.9
Haryana	14.1	7.6
Himachal Pradesh	9.1	2.9
Karnataka	2.3	7.7
Kerala	1.5	4.5
Maharashtra	29.6	5.6
Rajasthan	12.8	6.6
Tripura	16.9	6.4
Uttar Pradesh	12.2	5.4
West Bengal	14.9	5.1
States covered-Average	**14.9**	**5.1**

Source: ICS 2010

3.4 Reasons for Paying Bribe

The main reasons cited for paying bribe to avail school (up to class 12th) related services are 'to get a new admission (34%)' followed by 'to get scholarship (18%)' and 'for issuance of different types of certificates (18%)'.



Source: ICS 2010

3.5 Estimation of Bribe Amount Paid

To avail school (up to class 12th) related services, around 15 percent of the rural households which interacted with the school services tin these twelve states paid bribe in the previous one year. The average amount paid in a year in the school related services was Rs 186 per household. The bribe paid by rural households for various services ranged between Rs 10 and Rs 800. For instance, even to get admission form rural households had to shell out Rs 10 as bribe while some households paid Rs 700-800 to get scholarship or admission in the school.

Purpose of Paying Bribe	Average	Range
New admission	190	10-800
Low attendance/ Promotion	187	50-600
To get scholarship	194	20-700
Issuing of certificate	184	25-500
School Uniform	78	50-200
Free Books	83	30-100

Source: ICS 2010

VI. Water Supply Services

Government intervention in the rural drinking water supply started in early 70s with the launch of Accelerated Rural Water Supply Programme. (ARWSP), which is currently in its fourth phase.Improving irrigation water infrastructure and supply is another component of Central Government's Bharat Nirman. Central grant assistance is provided under Accelerated Irrigation Benefits programme (AIBP).

4.1 Households interacted with water supply services

Less than 30 percent of the rural households reported interaction with water supply services, which include both drinking water and water for irrigation purposes, during the last one year preceding ICS 2010 survey. However, in states such as Kerala and Himachal Pradesh (53% each), and Andhra Pradesh (51%), more than half of the surveyed households reported interaction with water supply services during the last one year. In 2005, even lesser percentage of rural households (8%) had interacted with water supply services.

State	Rural Households (in %)
Andhra Pradesh	50.6
Bihar	41.2
Chhattisgarh	31.9
Haryana	20.2
Himachal Pradesh	52.6
Karnataka	40.0
Kerala	52.8
Maharashtra	27.5
Rajasthan	35.9
Tripura	31.4
Uttar Pradesh	22.5
West Bengal	23.6
States covered-Average	**29.7**

Source: ICS 2010

4.2 Perception about Corruption in Water Supply Services

A significant proportion of the rural households (41%), which interacted with water supply services feel that there is an increase in the level of corruption. A similar proportion (38%) opined there is no change in the existing level of corruption. Between 2005 and 2010, there is not much difference in people's perception about corruption in water supply services.

Perception about Corruption in the last one year *(in %)*

State	Increased	Remained Same	Decreased
Andhra Pradesh	37.6	47.7	14.7
Bihar	72.8	16.8	10.4
Chhattisgarh	32.8	57.5	9.7
Haryana	45.9	27.5	26.6
Himachal Pradesh	21.3	41.6	37.1
Karnataka	21.8	43.5	34.7
Kerala	27.9	55.8	16.3
Maharashtra	40.1	36.8	23.1
Rajasthan	42.8	39.2	18.0
Tripura	26.7	53.3	20.0
Uttar Pradesh	54.4	28.8	16.8
West Bengal	28.8	28.8	42.4
States covered-Average	**40.6**	**38.4**	**21.0**

Source: ICS 2010

Amongst the states where a sizeable percentage of rural households feel that there is an increase in the level of corruption level in water supply services are Bihar (73%), Uttar Pradesh (54%) and Haryana (46%).

In states like Chhattisgarh (58%), Kerala (56%) and Tripura (53%), more than half of the rural households feel that the level of corruption has remained same during the last one year.

4.3 Experience of Corruption in Water Services

Overall, 21 percent of the surveyed rural households reported that they have either paid bribe or were asked to pay bribe to avail the water supply related services. Amongst the surveyed states, reporting of bribe was higher in Bihar (38%) followed by Maharashtra (34%), while in Kerala and Andhra Pradesh (5% each) it was relatively lower.

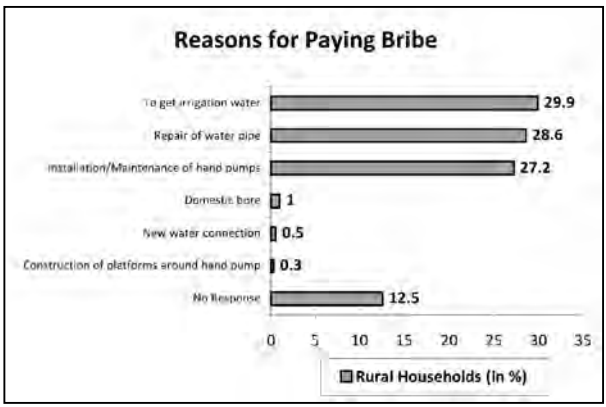
Further analysis of those paying bribe by their monthly income in this round (2010) reveals that three out of four rural households paying bribe for getting irrigation water have a monthly household income of less than Rs 5000. This suggests that households with better income are less dependent upon government managed water sources, rather they manage either through their own bore well or purchase water from private sources.

State	Households *(in %)*	
	Paid Bribe	Asked but did not pay bribe
Andhra Pradesh	2.0	3.3
Bihar	33.5	4.6
Chhattisgarh	11.9	2.2
Haryana	20.2	11.0
Himachal Pradesh	9.0	3.6
Karnataka	16.7	1.9
Kerala	3.2	1.6
Maharashtra	27.1	7.2
Rajasthan	14.9	3.6
Tripura	13.3	1.3
Uttar Pradesh	23.4	4.1
West Bengal	17.6	4.7
States covered-average	**15.9**	**4.1**

Source: ICS 2010

4.4 Reasons for Paying Bribe

Around 30 percent of the rural households each paid bribe or were asked to pay bribe 'to get irrigation water' or 'to get the water pipe repaired'. Other reason for which households were asked to pay bribe was for 'installation or maintenance of hand pumps (27%)'.



Source: ICS 2010

4.5 Estimation of Bribe Amount Paid

A little more than 4 percent rural households paid bribe during the previous year to avail services related to water supply either drinking water or water for irrigation purposes. The average amount paid was around Rs 207 per rural household. The bribe paid by households for various services ranged between Rs 15 and Rs 950. The wide gap between minimum and maximum amount paid as bribe for the same purpose indicate that even submission of a request (application form) requires paying bribe apart from paying bribe to get water at the right time to irrigate the agricultural field. In water supply services, it is estimated that Rs 833 million was paid as bribe by rural households in the twelve states covered during ICS 2010.

(in INR)

Purpose of Paying Bribe	Average	Range
To get irrigation water	226	15-950
Repair of water pipe	179	20-800
Installation/Maintenance of hand pumps	224	30-890
Domestic bore	233	100-500
Construction of platforms around hand pump	75	50-100
New water connection	171	50-200

Source: ICS 2010

V. Hospital Services

5.1 Recent Initiatives

Although additional resources by itself do not ensure better services in hospital services, annual budgets for health services in the last couple of years have increased significantly particularly for rural health.

Coverage Evaluation Survey (CES), a nationwide health survey, conducted in 2009 have shown impressive increases against key health indicators, compared to National Family Health Survey (NFHS)-III carried out in the beginning of the National Rural Health Mission (NRHM) in 2005-06. For instance, institutional delivery has increased from 40.7% to 72.9%. The increase was significant in Rajasthan, Bihar, UP and Chhattisgarh.

Despite initiatives to expand health services in the last couple of years, particularly in rural areas, there is not much difference in the extent of corruption that rural citizens have to encounter in availing hospital services.

5.2 Rural Households interacted with Hospital Services

Around 46 percent of the surveyed rural households interacted with the hospital services during the previous year. In 2005, the percentage of rural households was around 60 percent. This decline could be due to dissatisfaction among rural households with the services available at government hospitals.

However, in this round (2010), the states where more than half of the rural households interacted with government hospital services are Bihar (62%), Kerala (61%), Tripura (60%), Andhra Pradesh (57%), Chhattisgarh (54%), Himachal Pradesh (52%), and Rajasthan (50%).

State	Rural Households (in %)
Andhra Pradesh	57.2
Bihar	62.4
Chhattisgarh	54.3
Haryana	34.1
Himachal Pradesh	52.1
Karnataka	54.3
Kerala	61.8
Maharashtra	44.3
Rajasthan	50.4
Tripura	60.0
Uttar Pradesh	36.0
West Bengal	32.2
States covered-average	**46.1**

Source: ICS 2010

5.3 Perception about Corruption in Hospital Services

Overall, around 39 percent of the surveyed households feel that the level of corruption in hospital services has increased during the last one year. While another 40 percent feel that the level of corruption has remained the same. This indicates that while on one hand those availing services of public health facilities has increased (as reported in the government reports), on the other hand, majority of the rural households (79%) feel that the level of corruption has either increased or remained same during the previous year.

Further, comparison with ICS 2005 brings out that in last five years, the change in perception about corruption in hospital services is not significant. In 2005, 85 percent rural households had opined that the level of corruption has either increased or remained same in hospital services during the previous year.

Perception about Corruption in the last one year *(in %)*

State	Increased		Remained Same		Decreased	
Rounds	*2005*	*2010*	*2005*	*2010*	*2005*	*2010*
Andhra Pradesh	72.5	31.7	15.5	52.2	11.3	16.1
Bihar	89.5	67.2	5.6	21.4	1.6	11.5
Chhattisgarh	34.6	47.8	9.8	37.3	4.5	14.9
Haryana	75	33.2	18.8	41.8	4.7	25.0
Himachal Pradesh	42.5	21.0	50.6	47.9	6.3	31.1
Karnataka	83.0	26.3	15.4	39.9	4.7	33.8
Kerala	41.6	40.7	13.4	57.3	4.5	2.0
Maharashtra	80.3	37.7	13.6	38.1	4.8	24.3
Rajasthan	63.2	44.5	25.0	37.5	9.6	18.0
Tripura	-	23.8	-	33.7	-	42.5
Uttar Pradesh	61.7	46.0	25.1	36.2	5.4	17.8
West Bengal	72.7	32.8	17.2	28.4	7.9	38.8
States covered	**65.3**	**38.9**	**19.7**	**40.1**	**5.5**	**21.0**

Source: ICS 2010

**9% -Don't know/Can't Say(ICS 2005)*

In ICS 2010, the states where a high percentage of rural households reported increase in level of corruption are Bihar (67%) followed by Chhattisgarh (48%) and Uttar Pradesh (46%). These states have also shown increase in institutional deliveries, one of the key reasons for availing the facility of a public health centre, particularly in rural areas.

State	Households *(in %)*	
	Paid Bribe	Asked but did not pay bribe
Andhra Pradesh	4.9	2.5
Bihar	24.4	10.3
Chhattisgarh	39.9	11.4
Haryana	13.6	11.4
Himachal Pradesh	8.2	5.5
Karnataka	27.3	0.3
Kerala	16.4	1.8
Maharashtra	27.1	3.3
Rajasthan	18.8	6.3
Tripura	14.7	4.8
Uttar Pradesh	15.5	4.6
West Bengal	25.9	6.5
States covered	**18.9**	**4.8**

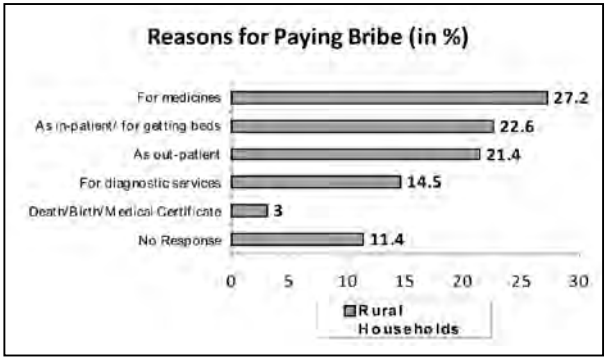
Source: ICS 2010

5.4 Experience of Corruption in Hospital Services

Overall nearly one-fourth of the surveyed households reportedly paid bribe or were asked to give bribe to avail one or the other services of a public health facility in rural areas of these twelve states. Noticeably, around 5 percent of the rural households could not avail the services of government hospitals because they did not pay bribe.

5.5 Reasons for Paying Bribe in Hospital Services

One-fourth of those who paid bribe cited getting medicines from the hospital as the reason. The other key reason for paying bribe is 'to get examined as an out-patient' and 'for diagnostic services'.



Source: ICS 2010

5.6 Estimation of Bribe Amount Paid

Out of the total rural households, which interacted with hospital services, around 19 percent reported paying bribe in the last one year preceding the survey to avail hospital services. The average amount paid was Rs 150 per household. As reported by rural households, they had to pay even Rs 1-2 to get a family member examined as an out-patient, mostly to get the registration/OPD card and as high as Rs 900 to avail diagnostic services (such as X-ray, blood/urine tests) at a public health facility. It is estimated that out of 94.06 million (Census 2001) rural households in the twelve states, around 8.5 million households paid an amount of Rs 1300 million as bribe to avail hospital services during the last one year preceding ICS 2010.

(in INR)

Purpose of Paying Bribe	Average	Range
As in-patient/ for getting beds	153	10-800
As out-patient	136	1-800
For medicines	159	10-800
For diagnostic services	181	2-900
Death Certificate	135	15-800
Birth Certificate	105	40-400
Medical Certificate	150	100-200

Source: ICS 2010

Key Highlights

This round of India Corruption Study (2010) with focus on rural population in twelve states and four public services, namely, PDS, school, water supply (drinking and irrigation) and hospital services, brings out some revealing facts

Overall

- Decline in general perception about corruption in public services compared to ICS 2005; old or young, respondents by and large hold similar opinion.
- Rural households' experience of corruption in general is down by half, from 56 percent to 28 percent but more importantly service specific experience of corruption has shown a rise.
- Difference between perception and experience about corruption in the four public services is narrowing down, ranges between 20 and 25 percentage points (2010) against 44 to 60 percentage points in 2005.
- With 95 percent of the households who are asked for bribes end up paying it, brings out that grievance redressal system continues to be poor and lack of accountability of public service providers, despite all claims otherwise made by these agencies.

Service specific

- PDS-Compared to 2005, lesser percentage of rural households interacted with PDS (from 70% in '05 to 42% in '10). As high as 6 percent rural households were deprived of service under PDS as they could not afford to pay bribe during that period.
- School (up to class 12th) – Though perception about corruption in school services has shown positive trend, 15 percent rural households paid bribe to avail school specific service. And another 5 percent could not avail the service during that period as they could not afford to pay bribe.
- Water Supply (Drinking and Irrigation)-Compared to other three services, lesser percentage of the rural households (30%) interacted with this service during the previous one year. Of these rural households, one out of five was asked to pay bribe for reasons like to get irrigation water or to get a government-owned water source repaired.
- Hospital Services- Compared to ICS 2005, the perception about corruption in hospital services has not changed significantly. But, around 20 percent paid bribe to avail service of government hospitals, while 5 percent were deprived as they did not pay bribe.

In conclusion

CMS with each round of India Corruption Study has extended its coverage and refined its methodology to capture the phenomenon of corruption in public services involving different sectors of citizenry. In this respect, CMS first round of ICS focused on metropolitan cities and few urban specific services like development authority (such as DDA). In 2005, India Corruption Study highlighted corruption in 11 public services, both basic and need-based, across 20 states while 2007 round of ICS focused on below poverty line (BPL) households in 31 states/UTs.

With narrowing of gap between perception and experience in the four public services, as emerged during this round of India Corruption Study (2010), CMS aims at covering, in the next rounds, two categories of public: urban slum dwellers and women.

Urban slum dwellers: With fast expansion of urban India, rather slumization, around 50000 urban slums in India, as per NSSO report (2008-09) exist today. CMS next round of ICS will focus on the population residing in urban slums and the public services availed by them.

Women: Another important aspect which CMS in its upcoming rounds of ICS will exclusively focus upon is women and their experiences with corruption in availing public services, particularly the ones devised for them.

CMS looks forward to your valuable feedback and suggestions!!

CMS Publications on Good Governance

- Face of Corruption in News Media-A report on their coverage (2010)
- India Corruption Study:2002-09- A comparative Scenario (2010)
- TII-CMS India Corruption Study-With Focus on BPL Households (2007)
- India Corruption Study (2005)
- Compendium of Citizen Charters (2003)
- Corruption in Urban Public Service- Perceptions and Experiences of Citizens (2003)
- CMS Corruption Perception Index -Public Services and Departments (2002)
- Adequacy of Citizens' Charter (2001)
- India Corruption Report-Urban Public Services (2000)

In 2010, CMS completes 20 years. Over these years, CMS sustained itself as a national institution with different and distinct accomplishments. Its pioneering initiatives over the years are in several areas of development, opinion research, environment, corruption& transparency studies, social development, etc.

www.cmsindia.org

To commemorate 20 years of CMS, twenty national lectures by eminent personalities are being organized in partnership with Nehru Memorial Museum and Library.

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CORRUPTION : PERCEPTION & EXPERIENCE

In 2000, when CMS first initiated these annual studies on corruption involving citizens, some people wondered why we were frittering our resources, since corruption had become a "fact of life" in India and was beyond redemption. Even when CMS studies in 2003 and 2005 showed that corruption involving citizens had declined, however marginally, in certain public services, those who relied more on perception were skeptical. Planning Commission had in its Xth Plan Report noted that "Corruption is most endemic and entrenched manifestation of poor governance in Indian society, so much so it has almost become an accepted reality and a way of life". In the XIth Five Year Plan too, it somewhat reiterated that "good governance" is not possible without addressing corruption in its various manifestations, especially in the context of basic services. The ultimate proof of "inclusive growth", for "bridging the divide" and equity goals is the extent of access to essential services by those "below the poverty line". For, inadequate access means denying them an opportunity to share the benefits of national growth. Also because the poor are disproportionately affected by corruption since they depend more on public services.

India Corruption Studies have been concerned precisely with this aspect, in the context of the basic and need-based public services that a citizen frequently avails. A unique feature of CMS methodology has been to recognize that corruption has two sides, each sustaining the other and reinventing itself. One is perception, the dimension which is relatively easy to talk about. The second is actual experience of corruption. Perception and experience are often two separate issues requiring separate, but parallel efforts. That is what "CMS PEE model" is all about. This model has brought out "the gap" between "Perception" and "Experience". The other aspect is "Estimation" of total money involved in corruption. It is arguably as yet another tool to sensitize the nation about its seriousness so that corruption is not seen as "high-return-low-risk activity".

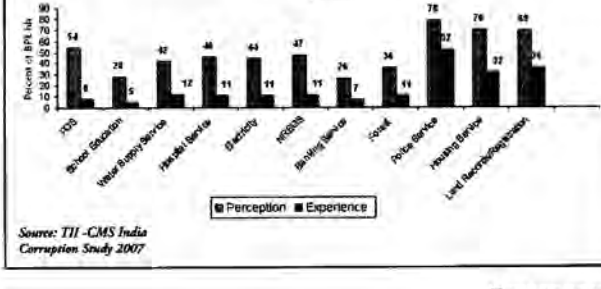
Perceptions are accumulated impressions, based on one's own immediate and past experience and those of neighbours/ friends. More importantly, perceptions these days to a large extent are also moulded on the way corruption is portrayed and hyped, particularly, in the visual media. Experience, on the other hand, is where a citizen or household does not get the service as a matter of course, but as a discretion and in exchange for certain money as bribe or deprived of access for not paying bribe or having to use "a contact" to influence the service provider. This study also provides a benchmark for the extent of awareness about RTI Act among BPL households across the country and their use of the two-year-old Act.

The CMS Model

The uniqueness of the CMS PEE model is that it is not limited to quantifying "perception" in general terms but goes much beyond in specific context and also quantifies experience in specific contexts and in a specific time context. And then, based on both, the model estimates in monitory terms the extent of corruption in the process of citizens availing public services.

Most other indices, including the global index by Transparency International, are based only on perception. Also, a second feature of CMS PEE model is that it involves a large sample of specific users of public services in context.

Figure: Perception about corruption is much higher than actual experience



Source: TII -CMS India Corruption Study 2007