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Deepening Global Corruption as a Pointer for India

Context

- The Transparency International's Corruption Perceptions Index (CPI) 2025 presents a troubling global picture: corruption is intensifying, weakening **democratic accountability**, eroding **public institutions**, and narrowing civic freedoms.
- The global average score has declined to 42, with most countries below 50 and only a few maintaining high standards of **transparency** and **institutional integrity**.
- This reflects a systemic decline in governance quality worldwide.

Global Decline and Its Implications

- The global trend reveals a strong link between weakening oversight mechanisms and rising corruption.
- Countries with reduced civil liberties and compromised institutional independence tend to experience worsening governance outcomes.
- The shrinking number of high-performing nations underscores a regression in **accountability frameworks** and **regulatory standards**.

- Corruption is increasingly embedded within governance systems, affecting both developed and developing economies.

India’s Position: Growth Without Governance Gains

- India, with a CPI score of 39 and rank of 91, remains in the lower half globally.
- Despite significant economic growth, its score has stagnated over a decade, indicating limited progress in **governance reform**.
- While India performs better than some neighbours, it lags behind countries that have strengthened **institutional capacity**, **policy consistency**, and **regulatory predictability**.
- This divergence highlights a mismatch between economic expansion and improvements in public sector accountability.
- Sustained growth without parallel institutional strengthening risks undermining long-term development goals.

Why Corruption Perceptions Matter and Economic Costs of Corruption

- **Why Corruption Perceptions Matter**
    - The CPI reflects perceived levels of public sector integrity, drawing from multiple indicators such as judicial effectiveness, public procurement, and regulatory enforcement.
    - A low score signals concerns about transparency deficits and weak accountability systems.
    - These perceptions influence investment climate, sovereign risk, and capital allocation. Investors prioritize stable environments with strong governance credibility.
    - Thus, corruption is not merely an ethical issue but a critical determinant of economic **competitiveness**.
- **Economic Costs of Corruption**
    - Corruption imposes substantial economic costs by increasing transaction costs, fostering inefficiencies, and encouraging **rent-seeking behaviour**.
    - Globally, it accounts for significant losses in output. In India, estimates suggest direct losses of around 0.5% of GDP, rising to 1–1.5% when indirect effects are included.
    - These losses translate into reduced spending on infrastructure development, healthcare systems, education investment, and industrial growth.
    - Corruption diverts resources away from productive uses, weakening overall **economic efficiency** and slowing development.

Structural Challenges: The Compliance Burden

- A major structural issue lies in India’s complex compliance architecture.
- Thousands of legal provisions, many involving criminal liability, create a burdensome regulatory environment.
- Entrepreneurs must navigate extensive compliance obligations, increasing uncertainty and costs.
- This complexity expands **discretionary power** among officials, raising the likelihood of corruption.
- Instead of ensuring compliance, excessive regulation often fosters informal practices and weakens **ease of doing business**.

- Simplification of laws and reduction of criminal provisions are essential for improving **regulatory transparency**.

Encouraging Trends: The Role of Digital Governance

- Despite challenges, India has made progress through digital public infrastructure. Reforms such as direct benefit transfers have reduced leakages in welfare delivery.
- The Reserve Bank of India's Digital Payments Index shows rising financial digitisation, while the Goods and Services Tax Network has enhanced **tax transparency** and formalisation.
- Digital systems reduce human discretion, strengthen **traceability**, and limit opportunities for corruption.
- These initiatives demonstrate how **technology-driven governance** can improve efficiency and accountability.

Balancing Economic Ambition with Institutional Reform

- India's ambition to become a $10 trillion economy requires alignment between economic growth and institutional strengthening.
- Without improvements in governance, rapid expansion may create structural imbalances. Corruption undermines fiscal efficiency, weakens regulatory credibility, and erodes social trust.
- Addressing these issues requires sustained reforms focused on **judicial efficiency**, **policy transparency**, **institutional independence**, and **administrative simplification**.
- Incremental and consistent improvements are more effective than short-term enforcement measures.

Conclusion

- The CPI 2025 serves as a benchmark highlighting the need for stronger governance.
- India's **constitutional framework**, **democratic institutions**, and growing **digital capacity** provide a solid foundation, however, persistent corruption perceptions indicate gaps in implementation.
- Long-term progress depends on cumulative reforms that enhance **accountability**, strengthen **institutional resilience**, and improve **governance standards**.
- Aligning institutional quality with economic ambition is essential for sustainable and inclusive development.

Deepening Global Corruption as a Pointer for India FAQs

Q1. What does the CPI 2025 indicate about global corruption?
Ans. The CPI 2025 indicates that global corruption is increasing and weakening democratic accountability and institutions.

Q2. How has India performed in the CPI 2025?
Ans. India has scored 39 and remains in the lower half, showing stagnation in governance despite economic growth.

Q3. Why do corruption perceptions matter economically?
Ans. Corruption perceptions affect investment decisions, sovereign risk, and overall economic competitiveness.

Q4. What is a key structural issue in India's governance system?

Ans. A major issue is the complex compliance architecture that increases regulatory burden and discretionary power.

Q5. What role does digital governance play in reducing corruption?

Ans. Digital governance improves transparency, reduces leakages, and limits opportunities for discretionary corruption.

Source: The Hindu

The Judicial Push for Environmental CSR

Context

- India has positioned itself as a global leader in corporate accountability through the **Companies Act, 2013**, which mandates profit-sharing for social development under Corporate Social Responsibility (CSR).
- This progressive framework was designed to channel corporate resources toward national development goals.
- However, despite its broad vision**, environmental sustainability** has remained a relatively neglected domain within CSR.
- At a time when India faces severe ecological challenges, such as air pollution, water scarcity, and poor waste management, this imbalance raises serious concerns about the long-term sustainability of growth.

Judicial Intervention and Constitutional Mandate

- A significant shift in the discourse on CSR has emerged through recent Supreme Court observations.
- By invoking **Article 51A(g)** of the Constitution, the judiciary has reframed environmental responsibility as a constitutional duty rather than discretionary charity.
- This interpretation establishes that the **right to conduct business** is inherently linked to the obligation to protect and restore the environment.
- The Court's intervention, particularly in response to the neglect of the Great Indian Bustard's habitat by energy companies, underscores the urgency of integrating ecological concerns into corporate decision-making.

Skewed CSR Funding Patterns

- An analysis of CSR expenditure over the past seven years reveals **a clear imbalance in funding priorities.**
- Corporations have overwhelmingly favoured human-centric sectors, with education receiving approximately **38% of funds, healthcare 22%,** and rural development 10%.
- In contrast, environmental initiatives account for only 7–9% of CSR spending.
- This disparity indicates that companies often perceive environmental issues as less immediate compared to social needs, resulting in chronic underinvestment in sustainability efforts.

Examples of Positive Environmental Initiatives

- Despite the overall imbalance, certain corporations have demonstrated that impactful environmental action is **both achievable and beneficial.**
- Large-scale initiatives in afforestation, water conservation, and waste management highlight the potential of CSR to contribute meaningfully to ecological restoration.
- These efforts not only generate measurable environmental benefits but also integrate community livelihoods with conservation.
- However, such examples remain exceptions, as **most companies continue to prioritise short-term,** highly visible projects over long-term ecological commitments.

Challenges in Environmental Restoration

- One of the key reasons for the neglect of environmental CSR lies in the **inherent complexity of restoration projects.**
- Unlike social initiatives that yield quick and easily measurable results, ecological restoration requires long-term investment, scientific expertise, and continuous monitoring.
- India's limited progress toward its **Bonn Challenge** targets illustrates this challenge, with corporate contributions to land restoration remaining minimal.
- Additionally, corporations often favour initiatives that provide immediate visibility, such as awareness campaigns or rapid plantation techniques like Miyawaki forests.
- While these projects may enhance corporate image, they can sometimes compromise native biodiversity and **fail to address deeper ecological issues.**
- Structural challenges, including urban bias in project selection, inadequate policies for degraded lands, and weak collaboration with forest departments and experts, further hinder effective restoration.

The Way Forward

- **Need for Strategic Reorientation**
  - The current scenario calls for a **fundamental rethinking of CSR strategies**, shifting from fragmented efforts to a comprehensive ecosystem recovery approach.
  - This transition requires redefining success metrics to include tangible ecological outcomes such as soil health, water retention, and biodiversity regeneration.
  - **Moving beyond conventional compliance-based auditing**, corporations must adopt time-bound restoration goals supported by scientific assessment.
  - Collaboration will play a crucial role in this transformation.
  - Partnerships between government agencies, academic institutions, conservation organisations, and local communities can help build specialised restoration units guided by ecological expertise.
  - Furthermore, **innovative financial mechanisms**, such as restoration trusts or escrow funds, can ensure sustained funding for long-term projects.
- **Towards Ecosystem-Centric Corporate Governance**

- To achieve meaningful change, corporate governance in India must evolve from a shareholder-centric model to an ecosystem-centric one.
- Businesses **need to recognise the environment as a critical stakeholder**, with directors acting as fiduciaries of both financial and natural capital.
- Environmental sustainability should no longer be treated as a peripheral obligation but as an integral component of business strategy.

Conclusion

- India stands at a critical juncture where the **integration of ecological priorities** into CSR is both necessary and urgent.
- While the country has taken significant steps toward institutionalising corporate responsibility, the **environmental dimension requires far greater attention** and investment.
- By **embracing an ecosystem-centric approach** and aligning corporate actions with constitutional and ecological imperatives, **India can pave the way for truly sustainable development**, where economic progress and environmental preservation go hand in hand.

The Judicial Push for Environmental CSR FAQs

Q1. What is the main purpose of CSR under the Companies Act, 2013?
Ans. The main purpose of CSR is to ensure that companies contribute a portion of their profits toward social development.

Q2. Why is environmental CSR considered neglected in India?
Ans. Environmental CSR is neglected because most funds are directed toward sectors like education and healthcare rather than sustainability.

Q3. How has the Supreme Court changed the view of environmental responsibility?
Ans. The Supreme Court has declared environmental responsibility as a constitutional duty linked to the right to conduct business.

Q4. What is one major challenge in environmental restoration projects?
Ans. One major challenge is that restoration projects require long-term investment and scientific expertise.

Q5. What shift is needed in corporate governance?
Ans. Corporate governance needs to shift from a shareholder-centric approach to an ecosystem-centric approach.

Source: The Hindu

The Case for Plea Bargaining in India – Revitalising Justice Delivery

Context

- According to Cesare Beccaria’s principle, the certainty and swiftness of punishment are more effective than severity.

- In the Indian context, mounting **judicial pendency** and delayed justice highlight the urgent need for systemic reforms, with plea bargaining emerging as a potential solution.

India’s Judicial Backlog – A Structural Crisis

- **Over 5 crore** pending cases in Indian courts, with about 4.76 crore cases pending in district and subordinate courts, 63 lakh in High Courts, and 92,000 in the Supreme Court of India.
- The **80%** backlog concentrated at district level impacts common citizens directly.
- Pandemic exacerbated delays despite reforms like e-Courts Project, Fast-track courts, and Lok Adalats.
- Hence, the issue is structural, not merely administrative.

Consequences of Delayed Justice

- **Human costs**
    - For victims, long legal battles can mean a **second trauma**.
    - For pre-trial detainees, delayed trials mean years of imprisonment before they are found guilty or acquitted.
    - For individuals involved in civil disputes, such as property or divorce cases, protracted legal battles can result in substantial financial and emotional losses.
- **Economic costs**
    - A slow justice system makes it harder to enforce contracts, raises the **cost of doing business** and dissipates investor confidence.
    - It sends the wrong signal to the investors about the country’s investment climate.
- **Institutional legitimacy**
    - For example, delayed justice weakens public trust, and leads to a crisis of legitimacy in the legal system.

Plea Bargaining – Concept and Evolution

- **Introduction:**
    - Plea bargaining is a **relatively new concept** in India’s formal criminal justice system.
    - The **2005** amendment to the Code of Criminal Procedure formally introduced plea bargaining into the Indian criminal justice system.
- **Meaning**: It allows the accused to take responsibility for the crime on their own terms, usually by agreeing to a deal that includes lower charges or a lighter sentence.
- **Significance**: When practised in a way that is fair and legal, this can serve the interests of both the state and the accused by allowing the case to proceed more **quickly and efficiently**.
- **Global practice:**
    - Experiences from the US, England, Canada and Australia, show that negotiated dispute resolution mechanisms are some of the best ways to deal with large volumes of cases.
    - In fact, **over 90% of criminal cases** in the US are settled through plea deals instead of full trials.

Status of Plea Bargaining in India

- **Underutilised tool:** Used in less than **1%** of cases even after two decades.
- **Key barriers:**
  - Procedural hesitation
  - Lack of incentives for lawyers
  - Limited awareness among prosecutors, defence lawyers, and litigants
  - Institutional inertia

Why Plea Bargaining Matters

- **Managing case burden:** Neither a judiciary capable of withstanding greater workloads nor improved infrastructure alone will be sufficient to have any effect.
- **Reducing uncertainty:** The outcome of a trial can be highly uncertain, costly, and time-consuming. Plea-bargaining presents an alternative to both parties to arrive at a mutual agreement.
- **Efficient resource allocation:** Negotiated settlements allow police, prosecutors and courts to devote their time and resources to complicated and serious crimes.
- **Victim-centric justice:** Victims would prefer that cases be resolved quickly with the confession of the guilty.
- **Systemic efficiency:** Effective plea bargaining makes the justice system work better as a whole.

Challenges in Implementation and Way Forward

- **Risk of coercion or extortion:**
  - **National mission** for negotiated justice – A “Sahmati Samadhan Nyaya Mission” to promote plea bargaining and pre-trial settlements.
  - Safeguards and oversight – Prevent coercion, ensure transparency and voluntariness.
  - Judicial role – Courts to actively encourage early settlement mechanisms.
- **Perception of compromised justice:** Awareness and legal literacy – Educate litigants on benefits of plea bargaining.
- **Lack of standardised procedures:** National protocol – As suggested by Attorney General R. Venkataramani, to standardise guidelines for uniform implementation.
- **Weak institutional capacity and training:** Institutional reforms – Training prosecutors in fair negotiation, and ensuring institutional readiness.
- **Misaligned incentives for legal professionals:** Incentive alignment – Reform fee structures for lawyers to encourage settlements.

Conclusion

- India’s justice system faces a structural crisis of delay and pendency, undermining both individual rights and economic growth.
- Revitalising plea bargaining offers a **pragmatic pathway** to timely, certain, and efficient justice.
- As envisioned centuries ago by Beccaria, a justice system must prioritise certainty and speed over severity.
- With proper safeguards and institutional support, plea bargaining can transform India’s legal landscape and restore faith in the rule of law.

Plea Bargaining in India FAQs

Q1. How delay in justice delivery undermines the rule of law?

Ans. Judicial delays erode public trust, weaken contract enforcement, and create a crisis of legitimacy in the justice system.

Q2. What is the significance of plea bargaining in addressing judicial backlog in India?

Ans. Plea bargaining enables faster case disposal, reduces burden on courts, and improves overall efficiency of justice delivery.

Q3. Why has plea bargaining remained underutilised in India despite its introduction in 2005?

Ans. Procedural hesitation, lack of incentives, low awareness, and institutional inertia have limited its adoption.

Q4. What are the economic implications of delayed justice delivery in India?

Ans. Delayed justice increases the cost of doing business, discourages investment, and weakens contract enforcement.

Q5. What institutional reforms are needed to promote negotiated justice mechanisms in India?

Ans. A national mission, trained prosecutors, incentive reforms, judicial encouragement, and strong safeguards can enhance plea bargaining adoption.

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