

South Asia

Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka

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Overview

Corruption remained a major issue in the domestic politics of most South Asian states in 2001–02 despite the shadow cast over the region by the events of September 11th, the war in Afghanistan, the nuclear stand-off between India and Pakistan and internal turmoil in Nepal and Sri Lanka. The intertwined incidence of corruption, crime and international terrorism dramatically highlighted poor governance in a region that contains the highest concentration of mass poverty in the world and is racked by sectarian and ethnic conflicts.

Corruption continued to pervade every aspect of economic and political life. In July 2001, the Indian premier, Atal Behari Vajpayee, offered his resignation in the wake of the Tehelka.com and Unit Trust of India (UTI) scandals that created widespread suspicion that ‘democracy in India was run by corruption’.² In December 2001, Pakistan’s president Pervez Musharraf acknowledged that corruption had ‘eaten the nation like termites from within’.³ Parliamentary elections in Bangladesh in October 2001 and in Sri Lanka two months later were dominated by corruption allegations, while the insurgency in Nepal further thrust corruption into the spotlight.

International pressure, the serious fiscal crises facing all South Asian governments and the growing mobilisation of civil society organisations forced reluctant political leaders to address the menace of corruption, albeit in partisan ways or, in the cases of Pakistan and Bangladesh, as the new ruling ideology. South Asian governments demonstrated some willingness to incorporate anti-corruption measures, but it remains to be seen whether the trend will be extended to include effective policy implementation.

Events in 2001–02 suggested that there is now a need to ensure the impartiality and sustainability of anti-corruption programmes if they are to contribute to genuinely independent and transparent institution building. Most significantly, there is a dire need for sustained pressure on governments to initiate the judicial and legislative reforms that strengthen public entitlement to accountability. The independence of national anti-corruption institutions – some of which, as in Pakistan and Bangladesh, have yet to be established – remains an issue of overriding concern. Only limited progress was made in the key areas of freedom of information legislation and the establishment of independent ombudsmen.

The year saw a growing awareness of the need to focus more closely on the role of the private sector in corruption, as a number of banking scandals raised concern about the probity of big business. Civil society efforts to halt corruption multiplied, inspired in part by the success of other NGO activities across the region, but enhanced by the opportunities to work with sympathetic government departments.

International and regional

The war in Afghanistan threw into sharp focus the complex relationship that exists in South Asia between corruption, terrorism, money laundering and political decay. All the larger countries in the region, with the exception of Sri Lanka and Afghanistan, signed the Asian Development Bank–Organisation for Economic Co-operation and Development (ADB–OECD) Anti-corruption Initiative for Asia-Pacific in Tokyo in November 2001. The initiative commits each signatory to the development of an anti-corruption action plan and an evaluation of implemented reforms within 18 months. Although not intended to be specific, the action plan requires signatories to address ‘three pillars’ of anti-corruption activity: civil service improvement, reduction of bribery and the closer involvement of civil society. In the wake of the initiative, the ADB commenced a dialogue with Nepal’s Commission for the Investigation of Abuse of Authority.

The release of Transparency International’s Corruption Perceptions Index (CPI) in June 2001, which ranked Bangladesh as the ‘most corrupt’ country of those included in the index, provided a vivid demonstration of just how effective international action can be in placing corruption on the domestic political agenda. Coinciding with the beginning of national elections, the CPI ranking turned into a major media event that was interpreted as an international indictment of Sheikh Hasina’s Awami League government. The issue became the main thrust of the campaign led by the opposition Bangladesh National Party (BNP) and prompted its leader, Khaleda Zia, to promise a ‘corruption-free country’.⁴ Corruption would have been a key election issue anyway, but leaders of the Awami League insisted that the CPI ‘played a role in their defeat’.⁵

Donor agencies were more insistent in 2001–02 in their demands for a commitment to anti-corruption policies and procedures in exchange for programme funding. Clare Short, Britain’s minister of development cooperation, used the Pakistan Human Development Forum to call for ‘tougher action’ against corruption.⁶ Similarly, the Nepal Development Forum was an occasion for expressions of donor concern over the level of corruption, raising the issue’s profile in domestic politics.

Hamid Karzai, chairman of the interim administration of Afghanistan, made an explicit commitment to ‘accountability, transparency and efficiency in the use of financial aid’ at the Afghan reconstruction conference in Tokyo in January 2002.⁷ Western governments, which have promised US \$4.5 billion in aid for Afghanistan over the next five years,⁸ have insisted on the importance of preventing the corrupt

diversion of aid, but the extreme weakness of institutions and systems of accountability makes the task a daunting one.

The International Monetary Fund (IMF) directly linked anti-corruption strategies with its programmes for external assistance to South Asian countries. IMF negotiations for a new loan to Bangladesh proceeded, but the government conceded that greater accountability and transparency, including the waiver or repeal of the Official Secrets Act, would be written into any future aid agreement.⁹ The World Bank, which has a policy of 'zero tolerance' on corruption, praised Pakistan's efforts to 'root out corruption and poverty'.¹⁰

International and regional organisations have begun to monitor their anti-corruption policies in the region. The ADB–OECD Anti-corruption Secretariat planned to evaluate progress on the national anti-corruption action plans that emerged from the Anti-corruption Initiative agreed in November 2001. The World Bank and other agencies have set up internal monitoring mechanisms, as well as procedures against corrupt practices in disbursement and procurement. Yet the World Bank emphasised that monitoring their work in Pakistan, for example, required recognition of the 'value added' in promoting long-term reform.¹¹ Local anti-corruption activists criticised some international agencies for poor project design and a tendency to short-circuit procedures. They called for greater transparency and closer scrutiny of the effectiveness of donors' anti-corruption practices.¹²

National

In June 2002, a loya jirga (grand council) was held in Kabul as a key step in the establishment of a democratic and accountable state in Afghanistan. Observers regarded it as a mixed success. The mere fact that it established a transitional administration and elected a head of state was highly significant in such a divided country, where years of war and civil war left an institutional vacuum. The transitional administration must write a new constitution, prepare for elections within less than two years, create a unified army and implement a multi-billion-dollar reconstruction programme. The challenge is enormous: commenting on the outcome of the loya jirga, the International Crisis Group wrote that 'the challenge is to shift power from the hands of unaccountable faction leaders into those of popularly elected leaders at both local and national levels. This must take place in conjunction with programmes to demobilise dozens of militias, build new infrastructure and create a freer political space. All this is threatened by the lurking dangers of religious and ethnic sectarianism, rule by force and foreign interference.'¹³

While international developments turned the spotlight on corruption in South Asia, governments sought to deflect direct criticism by blaming political opponents or predecessors. Indeed, waving the anti-corruption stick has evolved into a populist tactic for most political leaders in South Asia. In the face of external pressure for

greater self-regulation and good governance, governments have often combined anti-corruption drives with familiar patrimonial Machiavellianism.

India's National Democratic Alliance, the ruling coalition led by the Bharatiya Janata Party, reeled under a flood of corruption allegations during the year in review, beginning with the UTI scandal in August 2001. India's largest mutual fund manager, state-run UTI handled 720 billion rupees (US \$14.8 billion) until July 2001, when it shocked its 43 million investors by freezing redemptions. The ensuing crisis appeared to incriminate Prime Minister Vajpayee for promoting special interests, and the finance minister for gross negligence.¹⁴

The career of India's defence minister George Fernandes, who had briefly resigned in March 2001 after Tehelka.com secretly filmed officials demanding bribes for arms sales, was plunged into further turmoil in December 2001 when the 'Coffin-gate' scandal hit the headlines. The fraud involved officials in his ministry authorising payments of US \$2,500 per coffin for Indian casualties of the Kargil War in 1999, when the actual price was US \$172 per casket.¹⁵ Opposition parties had earlier accused the government of avoiding discussion of the Central Vigilance Commissioner's investigation into defence deals since 1989.¹⁶

The government's immediate responses were to procrastinate or victimise its critics. The Venkataswamy Commission, set up to investigate defence kickbacks in the wake of the Tehelka.com revelations, was scheduled to report within four months, but failed to do so. Tehelka.com's financial backers, meanwhile, were subject to harassment, particularly an attempt to tie them to a broader financial conspiracy to rig prices on the stock exchange.¹⁷

In Bangladesh, the new BNP-led government spared no effort in exposing the misdeeds of its predecessor. A white paper issued in January 2002 presented a total of 40 major cases of alleged corruption against the Awami League, accusing it of plundering US \$126 million while in office. The paper also alleged that the former premier Sheikh Hasina pocketed US \$123 million from the sale of eight Russian MiG-29s and a further US \$3 million through the employment of foreign consultants in an export promotion scam.¹⁸

The BNP-led government reasserted a norm familiar in Bangladeshi politics: no incumbent politician is ever successfully prosecuted for corruption. Cases pending against BNP politicians were abruptly withdrawn. White-paper investigations into corruption conspicuously omitted irregularities committed during the party's last tenure in office.

Political interest was the driving force behind an anti-corruption drive in Pakistan, a country dominated by a military elite keen to portray civilian administrators as corrupt and untrustworthy. Yet ex-servicemen, bureaucrats and businessmen prepared to play ball with President Musharraf's regime were let off lightly, especially if they were rich enough to repay their ill-gotten gains. Admiral Mansur ul-Haq avoided prison by repaying Pakistan's National Accountability Bureau (NAB) the US \$7.5 million he was estimated to have obtained in kickbacks from arms purchases.¹⁹

Paying to see your own baby

In the city of Bangalore, southern India, one in two women receiving care at a public maternity hospital is forced to pay a bribe in order to have a doctor attend her delivery. An astonishing 70 per cent have to pay the orderly to see their own baby. The gender of the baby determines how much that bribe will be. If the baby is a boy, the parents have to pay Rs 300 (US \$6); if it is a girl, the bribe is considerably less at Rs 200 (US \$4). If the bribe is not paid, parents often fear that the staff 'might swap the babies'.

An independent survey¹ of the quality of maternity health services for the urban poor conducted by the NGO Public Affairs Centre found considerable damaging evidence of corruption in all the maternity hospitals run by the Bangalore City Corporation. These maternity hospitals represent the city's only decentralised set of health facilities that are accessed by relatively low-income women. The survey revealed that the poor pay huge amounts of extortionary money in their interactions with the public maternity hospitals. The average patient in a maternity ward run by the city corporation pays Rs 1,089 (approximately US \$22) in bribes to receive adequate medical care. A further 61 per cent of the respondents were forced to pay for medicines, though public policy clearly mandates that they be given free of charge.

Since the survey was conducted, however, some encouraging developments have taken place. In one major maternity hospital, Yeshwantpur Maternity Home, a help-desk has been set up to assist women with administrative procedures, thereby reducing the scope for harassment. Several NGOs have also agreed to form support groups in poorer districts to empower women to demand their rights and to stand up to corruption in the public health care system.

Oversight mechanisms inside the maternity hospitals were created to

monitor the activities taking place there. A major innovation has been the setting up of 'visitors' boards' to bring in more transparency and openness. The boards, composed of locally elected representatives, health officials and representatives of NGOs, make regular visits to hospitals to monitor how they are functioning and to institutionalise grievance redress mechanisms. At present, visitors' boards operate in 12 zones in the city.

Patient charters are also displayed prominently in selected maternity hospitals. These charters publicise the services offered, time deadlines and terms of service, fees, remedies in cases of problems and patients' rights and duties. The information provided by the charters enables patients to defend themselves against an arbitrary or extortionary application of fees.

Feedback from the pilot interventions in this case has thus far been highly encouraging² and it is hoped that these innovations will find resonance in other hospitals as well.

(For further information, write to pacindia@vsnl.com or visit www.pacindia.org.)

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- 1 Sita Sekhar, 'Maternity Health Care for the Urban Poor in Bangalore: A Report Card', Public Affairs Centre, June 2000.
- 2 A narrative of this case appears in Samuel Paul, *Holding the State to Account: Citizen Monitoring in Action* (Bangalore: Books for Change, 2002).

A similar pattern was discernible in Sri Lanka, where anti-corruption activism became the rallying cry in a turf war between new premier Ranil Wickremesinghe and incumbent president Chandrike Kumaratunga. Nepal saw the creation of a new judicial commission to examine charges of political corruption against leading politicians and civil servants since the inception of parliamentary government in 1990.²⁰

Without sufficiently transparent sources of funding, political parties have emerged as a major conduit for the 'conversion of black money into white' in South Asia.²¹ The nexus between corrupt money and party funding was highlighted by the accelerated entry of criminals into politics. Seventeen per cent of all the candidates in India's Uttar Pradesh state elections in February 2002 had either criminal records or criminal charges currently filed against them.²² The government itself appealed against an attempt by the electoral commission to bar criminals from contesting elections.²³ A supreme court ruling in May 2002 directed the electoral commission to ensure that all future candidates in parliamentary and provincial elections provide details of cases pending against them and a breakdown of their individual and family assets.²⁴

Corruption occupied centre stage in national and provincial elections, dwarfing all other issues in the case of Bangladesh. Sri Lanka's parliamentary elections in December 2001 were dominated by a campaign driven by 'personal rivalries and accusations of corruption'.²⁵ In the Indian state of Punjab, the Congress-I party, widely discredited since its corrupt tenure of power in the 1990s, made a stunning comeback in a campaign waged primarily against corruption.²⁶ India's general elections remained relatively clean compared to those of Bangladesh and Sri Lanka, where there were allegations of irregularities. The presidential referendum in Pakistan in April 2002, however, was judged by most external observers to be neither fair nor free.

Most legal and institutional reforms in 2001–02 were either delayed or abandoned as gestural promises. India's Ombudsman Bill stalled in parliament, as did the Election and Other Related Laws Bill, which proposed income tax exemptions for private or corporate donations to political parties. The report from the Commission to Review the Working of the Constitution, published in April 2002, made recommendations related to the latter bill, including the introduction of an 'oath of transparency'. Many of the recommendations would require lengthy constitutional amendments, however. In spite of the widely publicised involvement of Transparency International's India chapter in establishing new rules on defence procurement, the defence ministry failed to implement any of the new procedures.²⁷

In Pakistan, President Musharraf gave a clear signal of his determination to fight corruption, launching a number of significant institutional reforms, including a civil service reform, an 'access to justice' programme and the separation of accounting functions from the auditor-general's office. The government also promised to establish an independent anti-corruption agency by October 2002 that would inte-

grate the work currently undertaken by the NAB, the Federal Investigative Agency and the Anti-corruption Establishment. During a series of meetings with the Pakistani government in April 2002, Transparency International praised the government for its commitment and for the measures taken so far, but also pointed to a range of areas where further reforms are needed. TI called for freedom of information legislation, a code of conduct for civil servants, an overhaul of the public procurement system and for the military and judiciary to be brought within the mandate of the NAB.²⁸

As part of its anti-corruption programme, the Pakistani government barred anybody who had been convicted of a criminal offence from standing in the October 2002 elections. The measure prevented the political return of former prime ministers Benazir Bhutto, of the Pakistan People's Party, and Nawaz Sharif, of the Muslim League. Critics saw the measure as a means less of challenging corruption than of restraining opposition politicians. There was also criticism of constitutional amendments that guaranteed a role for the military, through the National Security Council, in the post-election government of the country.²⁹

In Bangladesh, the justice ministry prepared a draft bill on an independent anti-corruption bureau – a key commitment of both main parties at the elections.³⁰ The Ombudsman Act of 1980 was finally activated, though no ombudsman has been appointed and the act is in need of serious amendments if it is to be effective.³¹

Nepal also proposed an array of anti-corruption legislation in 2002, including the Corruption Control Bill, the Commission for the Investigation of Abuses of Authority Bill, the Special Court Bill, the Impeachment/Regulate Working Procedure Bill and the Management of Political Parties Bill. All these bills, intended to make the detection and prosecution of corruption in the state and non-state sectors more effective, were adopted by parliament in April 2002. The Corruption Control Bill and the Special Court Bill received royal assent in June 2002, while the others are still awaiting assent.

Only Sri Lanka bucked the trend by neither proposing new legislation nor making plans to create independent anti-corruption institutions. Instead, the recently elected United National Party government said it intended to establish a committee in every ministry to review waste and corruption.³²

The proposed changes, taken together across the region, would have added up to a powerful agenda for transparency and accountability. Many of these reforms, however, were immediately compromised, or at least awaited the crucial test of implementation. In most cases, the independence of anti-corruption agencies was far from assured.

Private sector

The role of the corporate sector has been widely identified as fuelling traditions of impunity in South Asian states and contributing to a vicious cycle of public and

private sector problems: the chronic region-wide failure to pay taxes, poor public service delivery and inadequate enforcement of financial regulations.³³ Banks and state-sponsored finance, insurance and pension companies have been the chief targets of private sector corruption.

A multimillion-rupee scandal emerged in India over the course of 2001 in which overseas corporate bodies with nominal capital holdings, often amounting to only a few dollars, colluded with local stockbrokers and foreign institutional investors to rig share prices, with the result that profits worth 35 billion rupees (US \$729 million) were repatriated illegally.³⁴ This was followed in July 2001 by the price collapse of UTI's US-64 fund. The UTI scandal also took the lid off the 'promoter-politician-financier' network: UTI invested funds in 285 companies that did not exist, gave unusually generous guarantees to leading industrial houses and ignored the advice of its own analysts.³⁵ UTI's former director faces criminal charges over private deals to buy shares in Cyberspace, a software company with alleged links to the prime minister's office.³⁶

Corruption charges also hit Tata Finance Limited, one of India's most trusted non-banking finance companies. Tata fell under a cloud when, in September 2001, its managing director was accused of illegally diverting 4 billion rupees (US \$83 million) to a subsidiary that was also controlled by Tata senior executives.³⁷ At the same time that corruption allegations against Tata emerged, however, the company pledged to create a trust to provide parties in India with funding based on previous election results, in an effort to make political party funding more transparent.

Pakistan's private sector contains up to 4,000 firms entitled to legal protection because of operating losses or restructuring; 200 billion rupees (US \$3.3 billion) of loan defaults; and 300 billion rupees (US \$5 billion) in non-performing assets. Poor corporate governance and archaic banking laws have meant that decrees against loan defaulters were not executed, a pattern that is visible elsewhere in the region. In the Indian banking sector there are 580 billion rupees (US \$12 billion) of non-performing assets. Most of these assets arise from soft loans to the network of politicians, civil servants and industrialists that has dominated Indian politics since independence.³⁸

Bangladesh's unofficial economy reportedly amounts to two-thirds of the total and only 1 million in a population of 130 million pay any tax at all.³⁹ In Nepal, prominent cases of corruption in the year under review involved false accounting, illegal tendering, bank fraud and the systematic evasion of sales, property and income tax.⁴⁰ Sri Lanka's business-politician network came into focus in November 2001 after it was revealed that payment of 15 million rupees (about US \$150,000) in interest charges due on a loan of £500,000 (US \$780,000) from the London branch of the state-owned Bank of Ceylon was waived for businessman Ronnie Peiris, a close associate of President Kumaratunga. Peiris, who was involved in controversial projects such as the Kotte golf course, ABC Radio and the Katunayake-Colombo Expressway, flew out of the country on the eve of the elections that brought the opposition United National Party to power.⁴¹

Access to information in South Asia

Governments in Bangladesh, India, Nepal and Pakistan promised to enact freedom of information legislation during 2001–02, but progress has been tortuous. In Pakistan the promise of a freedom of information bill went unfulfilled.¹ In India a freedom of information bill passed the committee stage in March 2002, but the amendments introduced were severely criticised by civil society activists for undermining the effectiveness of the proposed legislation.

Indian states enacted their own access to information laws, however. Andhra Pradesh is the latest to commit itself to such a bill, joining Karnataka, Kerala, Goa, Maharashtra, Rajasthan and Tamil Nadu, which have all enacted similar legislation in the last decade. Activists remained dissatisfied, arguing that loopholes were deliberately inserted in the legislation to enable officials to deny information when convenient. Many failed to include penalty clauses for not providing information.²

E-government initiatives began to cut through the web of bureaucracy in some parts of South Asia. In India, the Central Vigilance Commission website provides practical information on how to complain about corrupt acts. Andhra Pradesh and Karnataka states have computerised land and property records, while Andhra Pradesh, Gujarat and Tamil Nadu offer some service delivery on-line.³

Recent global and domestic concern about terrorism resulted in South Asian states invoking existing or new legislation relevant to information access. In October 2001, the Indian president approved a Prevention of Terrorism Ordinance, which makes it a criminal offence to withhold information relating to terrorist activities and prevents citizens from suing the federal government for detention. The harassment of Tehelka.com journalists and the government's threat to punish 'illegal (undercover) journalism' suggest that the

new provisions may not always be used judiciously.⁴

The declaration of a state of emergency in Nepal in November 2001 led to the detention of more than 100 journalists, 30 of whom were still behind bars in early summer 2002. Several have been tortured. Amidst growing violence by Maoist insurgents, Nepalese troops violated the law by arresting, questioning, torturing and detaining suspects, especially journalists.⁵

In Bangladesh the controversial anti-terror Public Safety Act was repealed in April 2002, and the government approved a new security bill that provides for summary trials for street crimes and acts of vandalism. The Bangladeshi and Sri Lankan governments continue to use the archaic provisions of colonial-era official secrets acts to prevent disclosure. In both countries, several investigative journalists were threatened and murdered during this year.⁶

Pakistan's military regime continued to exert informal pressure on the media, as was evident after September 11th. Shaheen Sehbai, editor of *The News*, was forced to resign in March 2002 under pressure from the government. Pakistani officials allegedly warned Sehbai: 'Get in line, or be ready for the stick.'⁷ Such direct confrontations with the media were likely to intensify in the run-up to the October 2002 elections.

1 *Dawn* (Pakistan), 5 October 2001 and 31 January 2002.

2 Aruna Roy, quoted in *Outlook* (India), 23 April 2001.

3 www1.worldbank.org/publicsector/egov/india.htm.

4 BBC News South Asia (Britain), 23 August 2001.

5 *Ibid.*, 27 March 2002.

6 In Bangladesh from January to April 2001, there were 47 reported cases of assaults on journalists. One was killed, 39 injured and seven threatened, often publicly. *Daily Star* (Bangladesh), 15 July 2001.

7 www.cpj.org/news/2002/Pakistan01march02na.html.

In the wake of the Enron collapse, there was some movement towards better corporate governance. UTI responded to its troubles with a pledge to open its books to public oversight and became subject to the Securities and Exchange Board of India (SEBI). A new finance bill before parliament proposed to change the SEBI Act to enhance protection of investors' interests while also introducing limited banking reforms. With growing pressure on Indian companies to match international standards and encourage more foreign investment, the government recognises the importance of strengthening supervision, corporate governance and mechanisms for the resolution of non-performing loans. The Securities and Exchange Commission of Pakistan demanded annual reports from listed companies with the result that many reverted to private limited status to avoid scrutiny.⁴²

There are indications that some companies and associations in the region made concerted efforts to grapple with issues of corporate responsibility in the period under review. Infosys, one of India's leading firms, made a public commitment to 'corporate citizenship' at the World Economic Forum in Geneva in January 2001. The Dhaka Chamber of Commerce held a round table on corruption in September 2001 and, the following March, Southern Gujarat's Chamber of Commerce and Industry organised an event to combat local corruption, in association with the Surat Citizens' Council Trust. The Federation of Nepalese Chambers of Commerce and Industry established its own ethics committee. Though small-scale and with few measurable outcomes, these initiatives are indicative of growing private sector recognition of the part that businesses can play in fighting corruption.

Civil society

In India, the right to information movement, public interest litigation and civic activism spawned a myriad of local actions against graft over the year in review. Mazdoor Kisan Shakti Sanghathan (MKSS) has become a symbol of local activism based on accountability in the state of Rajasthan, where the Congress-I party recently returned to power on an anti-corruption ticket. MKSS has succeeded in building a powerful movement that has mobilised the local poor and instituted innovative methods of social auditing to monitor the activities of local officials.⁴³

The MKSS movement has produced emulators in Punjab and Andhra Pradesh, where 33 NGOs formed a network for the empowerment of *panchayats* (local village councils) in response to delaying tactics by states in transferring functions and development funds to local bodies. Other localised activities have been undertaken by consumer activists who sponsored a range of events to raise awareness of the evils of corruption.⁴⁴ Awareness of corruption has also been broadened by the investigations of the web portal *Tehelka.com*, which has received extensive media attention.

Sympathetic state institutions have aided the processes of civil activism. In August 2001, India's Central Vigilance Commission (CVC) published *A Citizen's*

Guide to Fighting Corruption. Two months later, the CVC marked 31 October to 6 November 2001 as 'vigilance week' and urged the public to monitor and report corrupt actions by public authorities. The CVC has also proposed the development of a corruption perceptions index, ranking all government departments according to the bribes required. If implemented, the CVC may be tempted to institute a 'corruption Oscars' show as now occurs in Gujarat. All departments in the state were recently ranked in a 'corruption league table', with police emerging by a clear margin as most corrupt.⁴⁵

TI chapters in South Asian states have been important catalysts for the promotion of broader coalitions of those interested in accountability and transparency. Initiatives have included surveys and policy proposals in Bangladesh and the use of integrity pacts in Pakistan.⁴⁶ Such activities intersect with the broader work of NGOs such as India's Common Cause and the Public Litigation Centre, both of which pursue issue-based campaigns for transparency and freedom of information.

Nevertheless, civil society organisations face significant constraints. Most anti-corruption groups in South Asia are localised and led by articulate middle-class activists who are often wary of institutional change. In Bangladesh, Nepal and Pakistan there is a widespread perception that civil society is 'donor-driven', unaccountable and financially non-transparent. This view has led to calls for stricter regulation of NGOs.⁴⁷

Finally, as South Asian leaders become more adept at managing the anti-corruption agenda, there is a real danger that civil society groups will become willing or unwitting agents of new programmes that co-opt them by making them part of broader official processes. Retaining autonomy, engaging in constructive criticism and monitoring outcomes against official claims are some of the major challenges facing civil society anti-corruption movements in South Asia today.

- 1 The author is grateful to Helen Sutch, Philip Mason, Rehman Sobhan, Aruna Roy, Mobassar Monem, Ashish Thapa, Admiral Tahiliani, Shaukat Omari and Asif Nazrul for their support in preparing this report.
- 2 N. Vittal, Chief Vigilance Commissioner, in *Indian Express* (India), 9 August 2001.
- 3 *Dawn* (Pakistan), 30 December 2001.
- 4 *Daily Star* (Bangladesh), 7 July 2001.
- 5 Communication from Rehman Sobhan, Centre for Policy Dialogue, 25 February 2002.
- 6 *Dawn* (Pakistan), 25 January 2002.
- 7 *Guardian* (Britain), 22 January 2002.
- 8 *Economist* (Britain), 6 June 2002.
- 9 *Daily Star* (Bangladesh), 16 February 2002.
- 10 BBC News South Asia (Britain), 25 July 2001.
- 11 The author is grateful to Helen Sutch of the World Bank for this observation.
- 12 Transparency International Nepal, annual report 2001–02 (draft).
- 13 International Crisis Group, 'The Afghan Transitional Administration: Prospects and Perils', Afghanistan Briefing, 30 July 2002.
- 14 *India Today* (India), 13 and 20 August 2001; *Frontline*, 17 August 2001.
- 15 *India Today* (India), 24 December 2001.
- 16 *Outlook* (India), 18 June 2001.
- 17 *India Today* (India), 12 December 2001.
- 18 *Independent* (Bangladesh), 24 January 2002.
- 19 BBC News South Asia (Britain), 23 January 2002; *Dawn* (Pakistan), 2 October 2001.

- 20 BBC News South Asia (Britain), 8 March 2002.
- 21 N. Vittal, Central Vigilance Commissioner, in *Indian Express* (India), 9 August 2001.
- 22 *India Today* (India), 4 March 2002.
- 23 Comments of N. Vittal, Chief Vigilance Commissioner, video link, 20 March 2002, Oxford University.
- 24 *Tribune* (India), 3 May 2002.
- 25 BBC News South Asia (Britain), 5 December 2001.
- 26 *Ibid.*, 24 February 2002.
- 27 Comments from Admiral Tahiliani of TI India.
- 28 Transparency International, 'Pakistan's Anti-Corruption Programme: Observations and Recommendations', May 2002, www.transparency.org.pk/news/TIVisitReport.pdf.
- 29 *Economist* (Britain), 22 August 2002.
- 30 TI in Bangladesh undertook a systematic review of the existing Bureau of Anti-Corruption, which is presently controlled by the prime minister's office, and found it wanting.
- 31 The author is grateful to Asif Nazrul for these observations.
- 32 Xinhua News Agency, 28 December 2001.
- 33 See Kuldip Nayer in *Dawn* (Pakistan), 11 August 2001.
- 34 *India Today* (India), 2 February 2002.
- 35 *Frontline* (India), 17 August 2001.
- 36 *India Today* (India), 16 July, 13 and 20 August 2001.
- 37 *Ibid.*, 3 September 2001.
- 38 *Dawn* (Pakistan), 2 March 2002; *Indian Express*, 9 August 2001.
- 39 *Independent* (Bangladesh), 4 January 2002.
- 40 Transparency International Nepal, annual report 2001-02 (draft). See also www.tinepal.org/index2.htm.
- 41 For further details, see origin.island.lk/2001/11/28/news02.html; *Sunday Leader* (Sri Lanka), 20 January 2002.
- 42 *Dawn* (Pakistan), 2 March 2002.
- 43 Interview with Aruna Roy, Oxford, 25 March 2002. For more on MKSS, see the box on p. 10.
- 44 See, for example, the website of the Centre for Consumer Action Research and Training, www.cuts.org/CART.htm.
- 45 *Times of India* (India), 1 February 2002.
- 46 www.ti-bangladesh.org.
- 47 See *Dawn* (Pakistan), 19 November 2001; *Economist* (Britain), 15 September 2001.