

# Corruption and Development in Indian Economy

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## **Abstract**

Why people cheat is an age-old question that has motivated scholars to find an appropriate answer. The simplest answer perhaps lies in the fact that some people, if not many, have a tendency to gain more returns than what is proportionate to their efforts or endowments. Understatement of personal income results in loss of government revenue as far as the personal income tax is concerned. This book provides a critical analysis of corruption, particularly in the backdrop of Indian economy. Beginning with the theoretical and empirical literature on corruption and a discussion on how various macro and micro level approaches are followed to study the issue, it takes into account an inter-country comparison of corruption and indicates the role of governance in the context of growth. The authors work out the magnitude of black income in India using the National Sample Survey (NSS) data. The determinants of bribery are also studied to assess why some firms pay bribe, while others do not, in an economy when they face the same macroeconomic environment, policy and regulations. Finally, the authors examine some of the specific issues related to corruption in the labour market and the manipulation of innovation expenditure incurred by firms. This book would interest graduate students of economics, researchers, policymakers as well as general readers who want to understand the intricacies of corruption in India.