# A RELATIONSHIP BETWEEN CORRUPTION AND POVERTY AND ITS IMPACT: A GLOBAL PERSPECTIVE

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#### **ABSTRACT**

The main purpose of this paper is a relationship between the Corruption and Poverty its Impact, a Global Perspective. Corruption and poverty are deeply intertwined, creating a vicious cycle that hampers economic development and equitable growth. Corruption diverts public resources meant for poverty alleviation, leading to inadequate infrastructure, healthcare, and education, thus exacerbating poverty. In turn, poverty can breed corruption as individuals may resort to unethical practices for survival. Globally, corruption undermines trust in institutions and impedes fair distribution of wealth, worsening social inequality. Addressing both issues simultaneously through transparent governance and effective anti-corruption measures is crucial for sustainable development and poverty reduction. The research methods that will be used in this study include analysis, interpretation, and comparison. Information will be culled from many famous libraries. The comprehensive evaluation of all available primary and secondary sources will be given significant attention. Information is now easily accessible because to websites and other digital technologies. Corruption is both a cause and consequence of poverty. It diverts resources away from those who need them most, stifles economic growth, perpetuates inequality, and undermines governance. Addressing corruption is therefore crucial for any meaningful progress in poverty reduction. Global goals should include bolstering institutions, enforcing anti-corruption laws, and promoting transparency and responsibility. Ending poverty and corruption is the only way to achieve sustainable development and improve living conditions for the world's poor.

**Keywords:** Corruption, Poverty, Economic Development, Equitable Growth, Public Resources, Global Perspective.

#### Introduction

According to popular opinion, poverty and corruption are intimately associated in developing nations. Public sector corruption is often seen as making poverty worse in nations that are already straining under the weight of economic expansion and political transition. On the other hand, because of distorted economic incentives, social and income disparities, and persistent poverty, nations are seen to be ideal environments for the growth of systemic corruption. To provide light on the ways in which poverty and corruption interact, this paper compiles the most current studies on the subject. It is possible that USAID may use this data to launch programs that combat poverty while also advancing democracy and good governance.

Corruption remains a significant barrier to economic and social development globally, often exacerbating poverty and undermining efforts to achieve sustainable development goals. Corruption may be defined as the misuse of public trust for private gain; this kind of behavior might result in reductions in financing for vital public services and infrastructure. This misallocation of resources contributes to the persistence of poverty, as funds meant for education, healthcare, and social services are siphoned off, leaving marginalized communities without essential support. Studies have shown that economies, inequality, and health and education outcomes are all poorer in countries with high corruption rates<sup>1</sup>. For instance, the Global Corruption Barometer by Transparency International shows a robust correlation between corruption levels and poverty rates in a number of countries<sup>2</sup>.

In addition to economic impacts, corruption undermines trust in public institutions, which can erode social cohesion and exacerbate poverty's effects. The World Bank has found that corruption disproportionately affects the poor, who are less able to navigate or mitigate the impacts of corrupt practices compared to wealthier individuals. This inequality is evident in various sectors, including healthcare, where corrupt practices can lead to inflated prices for medical supplies and services, making them unaffordable for the poor<sup>3</sup>.

Furthermore, corruption often perpetuates a cycle of poverty by stifling economic opportunities

<sup>&</sup>lt;sup>1</sup> Gupta, S., Davoodi, H., & Alonso-Terme, R. (2001). *Does corruption affect income inequality and poverty?*. *Available at- https://www.imf.org/external/pubs/ft/wp/wp9876.pdf* 

<sup>&</sup>lt;sup>2</sup> Transparency International. (2020). *Global Corruption Barometer*. Available athttps://www.transparency.org/en/gcb

<sup>&</sup>lt;sup>3</sup> U4 Anti-Corruption Resource Centre. (2016). *Corruption and Health Services*. available athttps://www.u4.no/publications/health-sector-corruption.pdf

and hindering effective governance. The study conducted by the United Nations growth Programed (UNDP) suggests that corruption deters investment from external sources and increases the expenses faced by corporations. As a result, this might potentially hinder the creation of jobs and economic growth<sup>4</sup>. This lack of economic opportunity can trap individuals and communities in poverty, making it challenging to break free from the cycle of corruption and deprivation.

Addressing corruption requires comprehensive reforms that promote transparency, accountability, and good governance. Initiatives such as anti-corruption policies, improved public sector management, and increased civic engagement are critical in mitigating the adverse effects of corruption and alleviating poverty. As highlighted by the International Anti-Corruption Conference (IACC), collaborative efforts between governments, civil society, and international organizations are essential in combating corruption and fostering sustainable development<sup>5</sup>.

## **Research Objective**

The main purpose of this paper is a relationship between the Corruption and Poverty its Impact: a Global Perspective

## Methodology

The researcher conducting this inquiry faced several obstacles. The study drew heavily on a plethora of other important studies' findings that were relevant to its topic. Other duties included making a decision, establishing a time limit for the review, selecting publications according to the guidelines laid forth in Corruption and Poverty: Its Impact from a Global Perspective, and assessing journals for data processing and collection. Analysis, interpretation, and comparison are some of the strategies that will be used in this study. We will collect data from many renowned libraries. There will be a strong emphasis on meticulously examining all of the primary and secondary sources that are available. Websites and other internet technologies enable the retrieval of information.

<sup>&</sup>lt;sup>4</sup> UNDP. (2018). Corruption and Economic Development. Available at-

https://www.undp.org/governance/inclusive-and-future-smart-public-goods-and-services/anti-corruption

<sup>&</sup>lt;sup>5</sup> International Anti-Corruption Conference (IACC). (2019). *Anti-Corruption Strategies*. Available athttps://iaccseries.org/

## **Analysis**

## Corruption

Corruption arises from the misuse of power by influential persons. Corruption may vary in severity, from significant to little, depending on the business and the amount of income lost. It can also have political implications. Petty corruption, in contrast to grand corruption, entails the involvement of lower-ranking officials and smaller amounts of financing. Politician corruption has a significant influence on institutions, processes, and policies. Some possible reasons of corrupt conduct include insufficient funds, broken institutions, an absence of transparency and accountability, poverty, cultural influences, tribalism, and social norms. Concerns about ethics, politics, and the economy all have an effect. Corruption may have detrimental effects on several aspects of society, such as inequality, poverty, economic growth, rule of law, resource allocation, public service efficiency, and the environment.

To mitigate corruption, enhance the management and accountability of the public sector, fortify the legal framework and enforcement mechanisms, foster integrity and ethics, empower civil society and the media, augment transparency and access to information, and promote citizen participation and oversight.<sup>6</sup>

## **Corruption in India**

India's economy, society, and democracy are all beset by corruption. Bribery, nepotism, fraud, extortion, and embezzlement are examples of abuses in public service. Corruption occurs in the political, administrative, legal, police, media, education, health, and business spheres. On Transparency International's 2020 Corruption Perceptions Index, India ranked 86th out of 180 countries, indicating a high level of public sector corruption with a score of 40 out of 100. The corruption rating of India has remained unchanged since 2012.<sup>7</sup>

**Types of Corruption:** Corruption in India takes several forms, including bribery, embezzlement, fraud, cronyism, and nepotism. Both the lowest levels of government—such as

doi:10.54741/mjar.2.4.3

<sup>&</sup>lt;sup>6</sup>Quinones E. What is corruption? OECD Obs. Published online 2000. doi:10.4324/9781843927303-7

<sup>&</sup>lt;sup>7</sup>Dr. Chitranjan Singh. A Study of Corruption in India. Manag J Adv Res. Published online 2022.

bribing a police officer and the greatest levels such as political corruption scandals—can experience it.

**Corruption Perception:** Transparency International's (TPI) and similar global corruption perception indexes consistently place India at the bottom. This suggests that corruption is a problem for the whole country.

**Anti-Corruption Institutions:** The CVC, the CBI, and state anti-corruption agencies fight corruption in India. It is difficult for these agencies to punish influential people.

**Legal Framework:** There are two anti-corruption statutes in India: the Right to Information Act and the Prevention of Corruption Act. The WAC provides legal protection for those who disclose government malfeasance.<sup>8</sup>

**Political corruption:** There are many claims that politicians have engaged in vote-buying, squandering public money, and receiving bribes. Elections are heavily influenced by money, which makes it difficult for candidates with clean records to participate.

**Bureaucratic Corruption:** Bureaucratic corruption is a significant issue as well since workers often ask for compensation in return for doing essential tasks. This might discourage investment and obstruct economic expansion.

**Civil Society and Activism:** Civil society groups, NGOs, and anti-corruption campaigners have helped raise awareness and promote openness and accountability.<sup>9</sup>

## **Effect of Corruption on Judiciary**

Corruption in the judiciary can have significant negative effects on the justice system and society as a whole. Some of the consequences include:

**Erosion of Trust:** When corruption is prevalent in the judiciary, it erodes public trust in the legal system, leading to a perception that justice is for sale rather than being impartial and fair.

<sup>&</sup>lt;sup>8</sup>Ahmad Dar DS, Wani FA. Corruption in India: Challenges and Prospects. Int J Manag Res Soc Sci. Published online 2022. doi:10.30726/ijmrss/v9.i2.2022.92005

<sup>&</sup>lt;sup>9</sup>Raghavan S. Political Corruption in India. 2020; 55(43):20-22.

**Injustice:** Corrupt practices can result in wrongful convictions or acquittals. Judges or court officials may be swayed by bribes or other incentives, leading to biased decisions.

**Impunity:** Corrupt judges could have a considerable window of opportunity to avoid consequences.

**Undermining the Rule of Law:** The rule of law is weakened when judges are corrupt because it threatens basic values like fairness, justice, and equality.

**Social and Economic Impact:** Businesses and people may shy away from legal conflicts when corruption is present because they don't trust the court system, which in turn hinders economic growth and investment.

**Increased Crime:** Because it promotes the idea that money can buy one's way out of issues, corruption that lets criminals avoid punishment could inspire further criminal action.

**Stifling Democracy:** Democracy requires a fair and unbiased court. Judicial corruption allows powerful people or organizations to control the judicial system, stifling democracy.

Transparent processes, judicial independence, proper judge salaries to decrease financial incentives for corruption, and a culture of ethical conduct in the legal profession are ways to fight judicial corruption. Anti-corruption authorities and supervision systems may also help discover and prosecute judicial corruption.<sup>10</sup>

#### Impact of corruption on the Indian Judiciary System

Corruption inside India's legal system has a detrimental impact on justice, human rights, and the country's growth. Some of the results include:

Erosion of Public Trust: Corruption in the courts undermines public faith in their capacity to enforce the constitution, protect rights, and check government. Politics, money, and personal interests corrupt judges, resulting in biased, arbitrary decisions. Democratic and legal legitimacy is lost by the judiciary. Corruption in the courts erodes public faith. Judges who

<sup>&</sup>lt;sup>10</sup>Heywood PM. Effect of Corruption on Judiciary. Published online 2015.

seem crooked and lose public trust damage the law. 11

**Delayed Justice:** Judicial corruption violates plaintiffs' and defendants' rights to a fair trial, speedy trial, competent counsel, and innocence. Bribed judges may delay or deny justice, dismiss or accept evidence, grant or deny bail, impose or lessen punishments, etc. for personal gain. This breaches legal equality and effective remedies. Judicial corruption slows trials and judgment. Bribes and other illicit conduct may corrupt courts, generating unjustified backlogs and protracted hearings. Delays anger parties and damage public trust in the system.

Weakening of Institutions: Bribing or influencing judges lets corrupt officials and politicians evade punishment. Police, prosecution, media, civil society, and others may conspire or extort corrupt judges due to this demand and supply chain. This perpetuates social corruption.

The Indian judiciary suffers from these corruption impacts. More complete and effective legal, institutional, social, and ethical reforms are needed.<sup>12</sup>

## **Poverty**

Poverty is a complex and multidimensional issue. The correlation with income is often shown as GDP per capita. Having a daily income of less than \$1 is seen as living in severe poverty according to purchasing power parity (PPP). Academics often use a community's lowest income quintile as a measure of poverty. Some argue that GDP and purchasing power parity fail to adequately portray the intricacy of the poverty condition. Poverty can be understood as a complex concept that includes multiple dimensions. Aspects of this issue include insufficient money, health, education, vulnerability to natural disasters, crime, violence, educational possibilities, and feelings of marginalization and powerlessness. According to the World Bank (2001), this mindset is characterized by a lack of legal status, limited economic potential, bad treatment by government authorities, and prejudice. They also consider calorie intake and female literacy rates as indicators. Attempting to define poverty in terms of income level is simpler than attempting to do so using the multidimensional method, which incorporates components that are more complex and harder to articulate. One instrument that experts have created to address this complicated issue is the UNDP Human Poverty Index. Life expectancy,

<sup>&</sup>lt;sup>11</sup>Andhyarujina TR. Corruption and the Erosion of Judicial Independence in India. Published online 2014.

<sup>&</sup>lt;sup>12</sup>Bhushan P. Corruption in the Indian Judiciary: Causes and Consequences. Published online 2016.

education level, and economic resources are some of the criteria that are considered while determining poverty. <sup>13</sup>

# Global Landscape of Corruption and Poverty

Corruption and poverty are deeply intertwined global challenges that undermine development, exacerbate inequality, and perpetuate a cycle of economic despair. Corruption, in its various forms bribery, embezzlement, and favoritism erodes public trust, siphons off critical resources from essential services, and hinders efforts to alleviate poverty. Corruption thrives in situations of need because those in need are more prone to engage in corrupt activities, either as a means of survival or as a justifiable evil to navigate dysfunctional systems. This symbiotic relationship is evident across many countries, particularly in developing and underdeveloped regions, where weak institutions, lack of transparency, and limited access to education exacerbate both issues.

The global landscape of corruption reveals stark contrasts between nations, with varying degrees of prevalence and impact. According to the Corruption Perceptions Index (CPI) of Transparency International, the most corrupt countries are located in sub-Saharan Africa, parts of Latin America, and Eastern Europe and South Asia. These regions often face systemic corruption that permeates all levels of governance, from local officials to national leaders. For instance, in countries like Nigeria and Venezuela, corruption is not only widespread but also deeply institutionalized, leading to severe economic disparities and stunted growth<sup>14</sup>. The impoverished bear a disproportionate share of the burden of systemic corruption due to their precarious financial situations, inadequate access to healthcare, schools, and clean water.

On the other hand, wealthier nations are not immune to corruption, though it may manifest differently, often in the form of lobbying, corporate influence, and political patronage. These forms of corruption, while less visible, can be equally damaging, perpetuating inequality and eroding democratic processes. For example, a large portion of the American public is worried that large donors are influencing political outcomes and eroding trust in our democratic

<sup>&</sup>lt;sup>13</sup> Sanjeev Gupta, "Corruption Affect Income Inequality and Poverty".(1998). Available athttps://imf.org/external/pubs/ft/wp/wp9876.pdf

<sup>&</sup>lt;sup>14</sup> Transparency International. (2023).Corruption Perceptions Index 2023..available athttps://www.transparency.org/en/cpi/2023

systems.<sup>15</sup> This subtle yet pervasive form of corruption exacerbates social inequality, as policies are often skewed to favor the affluent, leaving marginalized communities behind.

Poverty, in turn, exacerbates corruption by creating an environment where individuals may feel compelled to engage in corrupt practices out of necessity. In impoverished communities, the lack of economic opportunities and inadequate social safety nets often leave individuals with little choice but to resort to bribery or other forms of corruption to access basic services or secure livelihoods. This is particularly evident in countries like India and Kenya, where petty corruption is rampant in sectors such as healthcare and education. The vicious cycle of poverty and corruption thus continues, as those most affected by poverty are often the least equipped to fight against corrupt practices.

Efforts to combat corruption and alleviate poverty must therefore be holistic, addressing both issues simultaneously. Strengthening institutions, promoting transparency, and fostering economic opportunities are critical steps toward breaking this cycle. Anti-corruption measures, such as enhancing the independence of judicial systems, protecting whistleblowers, and improving public access to information, can help reduce corruption. Simultaneously, targeted poverty alleviation programs that focus on education, healthcare, and economic empowerment can mitigate the conditions that lead to corruption. Governments, civil society, and the international community must work together to create an environment that supports transparent governance, equitable economic development, and the worldwide eradication of poverty and corruption. <sup>16</sup>

## Theories of Corruption and Their Impact on Poverty

The social, political, and economic fabric of every civilization is stained by corruption, in one way or another. The misuse of public office for private gain sometimes takes the form of bribery, embezzlement, or other forms of unethical or dishonest behavior. Theories of corruption offer different perspectives on the origins and perpetuation of corrupt practices, each elucidating the profound impact that corruption can have on poverty.

<sup>&</sup>lt;sup>15</sup> Gilens, M., & Page, B. I. (2014). Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens. *Perspectives on Politics*, *12*(3), 564-581

<sup>&</sup>lt;sup>16</sup> Kumar, A. (2015). Corruption and Its Impact on Poverty in India. *Journal of Development Studies*, 51(6), 745-757.

## **Principal-Agent Theory**

Corruption, according to the principal-agent theory, occurs when public officials and people or government leaders and citizens or bureaucrats have different goals. When agents have discretion in decision-making and lack accountability, they may act in their self-interest rather than serving the public good. According to this argument, corruption makes poverty worse by lowering standards for and access to essential services like healthcare, schools, and roads. Private entities are enriched at the expense of public services and development programs.<sup>17</sup>

# **Rent-Seeking Theory**

Corruption, according to rent-seeking theory, is when an individual or group enriches themselves sat the expense of law-abiding individuals or companies by taking advantage of loopholes in the law or official systems. Individuals or groups engage in rent-seeking by lobbying, bribing, or influencing policymakers to obtain favorable regulations, licenses, or subsidies. This behavior results in the misallocation of resources, where the focus shifts from productive activities to securing rents. The impact on poverty is significant, as resources are diverted away from productive investments that could have lifted people out of poverty, perpetuating a cycle of economic inefficiency and inequality.<sup>18</sup>

## **Cultural Theories of Corruption**

According to cultural theories, corrupt practices stem from entrenched norms and beliefs inside a community. In societies where corruption is normalized or where loyalty to family or ethnic group supersedes loyalty to the state, corrupt practices are more likely to be tolerated or even encouraged. Cultural acceptance of corruption undermines efforts to promote accountability and transparency, which in turn perpetuates poverty. Corruption in such contexts often results in the exclusion of marginalized groups from economic opportunities, reinforcing social inequalities and deepening poverty.<sup>19</sup>

<sup>&</sup>lt;sup>17</sup>Klitgaard, R. (1988). *Controlling Corruption*. University of California Press. Available athttps://www.ucpress.edu/book/9780520074088/controlling-corruption

<sup>&</sup>lt;sup>18</sup> Krueger, A. O. (1974). The Political Economy of the Rent-Seeking Society. *The American Economic Review*, 64(3), 291-303.

<sup>&</sup>lt;sup>19</sup> Huntington, S. P. (1968). *Political Order in Changing Societies*. Yale University Press. available athttps://yalebooks.yale.edu/book/9780300116205/political-order-in-changing-societies/

#### **Structural Theories**

Structural theories focus on the broader political and economic structures that facilitate corruption. These theories argue that corruption is more prevalent in environments with weak institutions, lack of checks and balances, and limited political competition. In such settings, those in power can engage in corrupt practices with impunity, as there are few mechanisms to hold them accountable. The impact on poverty is particularly acute in countries where corrupt elites siphon off public funds meant for social welfare programs, leaving the poor with inadequate access to basic services and opportunities.<sup>20</sup>

## **Impact on Poverty**

The impact of corruption on poverty is multifaceted. Corruption diverts resources away from the most vulnerable, reducing the funds available for poverty alleviation programs. Bribes and kickbacks increase the price of public services by lowering service quality and increasing contract pricing. Furthermore, corruption discourages investment by creating an unpredictable business environment, which in turn limits economic growth and job creation. Ultimately, corruption entrenches poverty by perpetuating inequality, reducing economic mobility, and undermining trust in public institutions.

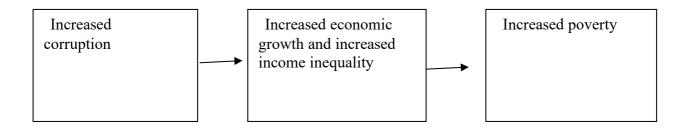
The various theories of corruption provide valuable insights into how corruption perpetuates poverty. By thoroughly understanding these concepts, policymakers may establish specific strategies to combat corruption and mitigate its negative impact on poverty, so promoting a more equitable and sustainable development.

## **Relationship between Corruption and Poverty**

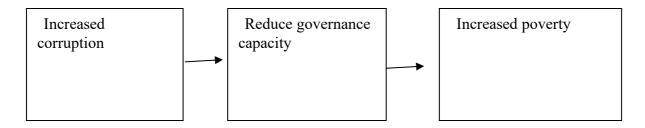
This study was one of very few that looked at the link between corruption and poverty and found no evidence of a direct association. A direct relationship between poverty and corruption does not exist. Corruption affects economic and governance factors, which in turn affects poverty. Hence, the relationship being investigation by researchers is an indirect one. The present investigation has yielded two derived models.

<sup>&</sup>lt;sup>20</sup> Rose-Ackerman, S. (1999). *Corruption and Government: Causes, Consequences, and Reform*. Cambridge University Press. Available at- https://www.cambridge.org/core/books/corruption-and-government/C7B39840D29F70A3529D31D70E296BD8

Because corruption alters the economic model's predictors of growth, it has a direct impact on poverty rates. To put it simply, when there is more corruption, less funds will enter the economy. The same holds true for unbalanced markets; they lead to less competition, which in turn leads to greater company expenditures. The wealth disparity is much worse. Lessening these crucial economic elements makes poverty worse. <sup>21</sup>



According to the model of government, corruption increases poverty by changing the dimensions of government. Government financial constraints rise, compliance with health and safety rules falls, and the ability of government institutions to provide excellent public services is weakened by corruption. Additionally, it shifts funding from essential public services to capital projects, where bribes are more likely to be accepted. Four big issues with governance processes and outcomes affect poverty.



The association between corruption and poverty is closely intertwined, since corruption often exacerbates poverty and impedes efforts to relieve it. Corruption undermines economic growth, distorts markets, and disproportionately affects the poorest segments of society by diverting resources that could be used for public services and development initiatives. The cycle of

<sup>&</sup>lt;sup>21</sup> Johnston, *M. Syndromes of Corruption: Wealth, Power, and Democracy.* Cambridge University Press, 2005, pp. 33-55.

corruption and poverty is self-perpetuating: corruption worsens poverty, and poverty creates conditions where corruption thrives.<sup>22</sup>

## **Corruption's Role in Perpetuating Poverty**

Corruption leads to the misallocation of resources, since funds intended for the improvement of society, such as education, healthcare, and infrastructure, are redirected by unscrupulous people. This worsens the deterioration and accessibility of essential services, therefore intensifying the deprivation of the disadvantaged. Moreover, corruption amplifies the costs linked to doing business, so discouraging investment and hindering economic possibilities that may potentially reduce poverty. Corruption manifests in several ways, including bribery, embezzlement, and nepotism, inside numerous developing countries. Each of these kinds adds to the erosion of public trust and the compromise of institutional credibility.<sup>23</sup>

## **Impact on Economic Development**

Corruption has a significant negative impact on economic development. It leads to an unequal competitive landscape, where those with the financial capacity to participate in bribery flourish, while others without such resources are put at a disadvantage. This not only stifles competition but also leads to inefficient economic outcomes, as contracts are awarded not based on merit or value, but on corrupt practices. The result is a misallocation of resources that could have been used more effectively in poverty alleviation programs. Investors are hesitant to put money into markets with a poor rule of law and widespread corruption, which discourages investment from outside the country. This lack of investment further constrains economic growth and job creation, trapping people in poverty.<sup>24</sup>

#### **Social Implications and Inequality**

Corruption exacerbates social inequality by allowing the rich and powerful to manipulate systems in their favor, while the poor are left vulnerable and marginalized. The unequal distribution of resources and opportunities leads to social unrest and disillusionment among the

<sup>&</sup>lt;sup>22</sup> Tanzi V. "Corruption and the Wealth of Nations." *Foreign Affairs*. 1998;77(3): 153-165.available https://www.imf.org/external/pubs/ft/staffp/1998/12-98/tanzi.htm

<sup>&</sup>lt;sup>23</sup> Mauro P, The Effects of Corruption on Growth, Investment, and Government Expenditure, International Monetary Fund Working Paper, 1997; 97(98):1-28.

<sup>&</sup>lt;sup>24</sup> Ades, Alberto, and Rafael Di Tella. "Rents, Competition, and Corruption." *The American Economic Review*, vol. 89, no. 4, 1999, pp. 982-993.

poor, who feel excluded from the benefits of economic growth. Furthermore, corruption in law enforcement and judicial systems means that the poor are often denied justice, while the wealthy can evade accountability. This deepens the cycle of poverty and perpetuates a sense of hopelessness among the disadvantaged.<sup>25</sup>

## **Political Instability and Governance**

Corruption undermines governance by eroding the legitimacy of institutions and leaders. In countries where corruption is pervasive, citizens lose faith in their governments, leading to political instability. This instability can result in a lack of continuity in policies and programs aimed at poverty reduction, further hindering progress. Once in power, a small number of corrupt politicians would often prioritize their own gain above the common welfare. This promotes unfettered corruption and hinders effective actions to alleviate poverty.<sup>26</sup>

## **Global Perspective and Solutions**

The global issue of corruption's effect on poverty is not limited to developing countries. This is especially true in developing nations when poverty is widespread and government oversight is lacking. International efforts to combat corruption, such as those led by organizations like Transparency International and the United Nations, focus on promoting transparency, strengthening institutions, and empowering citizens to hold their governments accountable. It is essential to implement anti-corruption measures in order to break the cycle of poverty and graft. The enforcement of laws, safeguarding of whistleblowers, and encouragement of good governance practices are all part of this category.<sup>27</sup>

#### **Conclusion**

Corruption and poverty are deeply intertwined, with each exacerbating the other in a vicious cycle. Corruption, by its very nature, siphons off resources that are desperately needed by the most vulnerable populations, redirecting them into the hands of the few who wield power. The economic progress is stifled and the middle class and destitute continue to sink farther into

<sup>&</sup>lt;sup>25</sup> Mukherjee, S. (2019). How Corruption Perpetuates Social Inequality. The Economic Review, 32(6), 98-110.

<sup>&</sup>lt;sup>26</sup> "Corruption and Governance: The Impact of Political Instability." *BBC News*, 10 April 2023.available athttps://www.bbc.com/news/world-29040793

<sup>&</sup>lt;sup>27</sup> United Nations Office on Drugs and Crime (UNODC). (2020). the Role of Anti-Corruption Measures in Poverty Alleviation: A UNODC Perspective. United Nations. available athttps://www.unodc.org/documents/corruption/Toolkit\_ed2.pdf

poverty as a result of this misallocation of resources. Furthermore, corruption undermines governance, weakening institutions that are meant to protect the public and provide essential services, thereby eroding trust in government and public institutions.

Addressing corruption is, therefore, a critical component of any strategy aimed at reducing poverty. Without tackling corruption head-on, efforts to alleviate poverty will be severely hampered. Prompt action is required on a global and national scale to eradicate corruption. This involves doing things like building stronger institutions, making sure anti-corruption laws are enforced, and encouraging a culture of honesty and responsibility. In addition to fostering sustainable development and bettering living circumstances for the world's poor, these endeavors are critical for ending the vicious cycle of poverty and corruption. We must tackle corruption head-on if we want to create a just and equitable society where everyone can earn a life and poverty is decreasing.

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- Volume VII Issue III | ISSN: 2582-8878
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