

# Comprehensive Measure of Corruption & its Impact on GDP, FDI, HDI & Unemployment in India

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**Abstract**—Corruption has been the biggest hindrance in India's path to socio-economic development. There exists a consensus amongst well-meaning individuals and nations that corruption has been a major bottleneck in the quest for sustainable growth and human well-being. The problem of corruption is not new in the context of India. The Corruption Perception Index (CPI) as measured and published by the Transparency International allots scores and ranks to nations based on the level of corruption in the countries. However, CPI fails to look into certain important variables which should be accounted for while measuring corruption. This paper attempts to construct a Comprehensive Corruption Index (CCI) using indicators such as the Bartelsmann Transformation Index, Global Integrity Index, World Justice Report, etc. It should be mentioned, however, the CPI is an integral component of the CCI. The data used for CPI is from the Transparency International and it ranges from the year 2002-2016. The data (along with other macro-economic variables such as HDI, FDI, etc.) has been used to test several hypotheses. The coefficient of correlation has been used as the relevant statistical tool to check for statistically significant relationship. Without much of a surprise, it was found that corruption (as measured by the CCI) has a negative relation with GDP, FDI and HDI, and a positive relation with unemployment. The paper also aims at providing policy suggestions directed towards curbing corruption and thereby improving human well-being.

**Keywords:** Corruption, Comprehensive Corruption Index, Human well-being.