

**CORRUPTION AND CLEANER PRODUCTION: EVIDENCE FROM INDIA'S  
ORGANIZED MANUFACTURING SECTOR**

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### **ABSTRACT**

In this study, we examine how the adoption of ISO 14000 series certification and the investment in pollution control equipment by Indian organised manufacturing firms is affected by corruption. We use the Annual Survey of Industries unit level-data for information on ISO 14000 series certification and pollution control equipment; and the World Bank Enterprise Survey for India for corruption information for the year 2014. While analysing the impact of corruption and other firm and industry level control variables on ISO 14000 series certification, we use the probit model and estimate that firms located in states perceived with higher levels of corruption are less likely to adopt ISO 14000 series certification. We investigate the effect of corruption on the expenditure on pollution control equipment using the multiple linear regression model and Cragg's Hurdle model. Our analysis finds that firms located in states facing high levels of corruption invest less in pollution control equipment. The paper adds to the literature by providing motives for the firms to engage in greener/cleaner production and more sustainable practices through adoption of ISO 14000 series certification and investment in pollution control technologies.